



PUBLIC TRANSPARENCY REPORT

2024

Asset Value Investors

Generated 25-11-2024

About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2024 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2024 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented. The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

Table of Contents

Module	Page
SENIOR LEADERSHIP STATEMENT (SLS)	4
ORGANISATIONAL OVERVIEW (OO)	7
POLICY, GOVERNANCE AND STRATEGY (PGS)	16
LISTED EQUITY (LE)	42
CONFIDENCE-BUILDING MEASURES (CBM)	49

SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

AVI is aligned with the PRI's belief that an economically efficient, sustainable global financial system is a necessity for long-term value creation. We believe that companies with a responsible approach to the environment, society, and governance will do better in the long term and will contribute to overall financial market stability by effectively managing systematic sustainability issues and their related risks.

Therefore, as long-term, fundamental investors, we view responsible investment as part of our fiduciary duty and an inherent component of our investment strategy. Integrating ESG and sustainability factors into our research and analysis is integral to comprehensively understanding each investment's ability to create long-term value and we are committed to actively engaging with our companies to drive positive change and enhance sustainable growth by promoting responsible business practices and building resilience to ESG risks for the long-term benefit of the company, wider stakeholders, and our clients.

Our concentrated portfolios allow for deep knowledge of our companies and the unique contexts within which they operate. We have eschewed a box-ticking approach to ESG, instead developing a proprietary ESG monitoring system built into our centralised database to ensure ESG and financial metrics are considered alongside one another. This system provides a framework for continual ESG assessments and enables us to track the ESG performance of each portfolio company against defined ESG metrics. We conduct extensive in-house research on each of our companies, assessing corporate governance practices and analysing impacts and dependencies on the environment and society and the extent to which these are being effectively managed which provides an important perspective in our fundamental analysis of the long-term value creation potential of companies. We also carefully monitor any controversies associated with our universe, supported by ISS Norms Based Research.

These formal ESG assessments enhance our understanding of the risks and opportunities in our universe, enable us to track our companies' progress over time, and identify weaknesses where we can proactively engage. We seek to be constructive partners, building strong relationships with the boards and management of our companies and providing detailed analysis and suggestions to address any issues identified to sustainably enhance corporate value. We encourage and expect our investee companies to take meaningful action in the context of long-term value creation.

Whilst exclusionary screening is not our guiding framework as we feel it is not best aligned with our bottom-up approach, there are certain exceptions to this. AVI will not invest in any company with direct involvement in pornography, controversial weapons, or tobacco, whereby more than 5% of that company's NAV is derived from these activities. We will also not invest in companies that engage in human exploitation or child labour as defined by the relevant ILO conventions. Our ESG policies have been approved at board level and apply across all AVI funds.

Our commitment to ESG and responsible investing was cemented by the addition of a full-time ESG analyst to our team in February 2021. AVI is committed to ongoing training in this area and the analyst has achieved their CFA ESG Investing Certificate.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

With 2022 being the first full year implementing our formalised approach to ESG, the reporting year (2023) was characterised by the maturing and fine tuning of our process and approach as well as ensuring that this was effectively communicated to our stakeholders.

AVI published its first ESG Report, detailing how we integrate ESG considerations and responsible investment practices into each stage of our investment process. To demonstrate how this works in practice, the report includes quantitative insights on the ESG performance of our portfolio companies for some of the metrics that we track in our ESG monitoring system, and case studies to better illustrate our approach. This report also includes granular reporting on our ESG-related engagement and stewardship activities. This was supported by our engagement log which we designed and built into our centralised database in 2022, allowing us to tag each engagement according to the themes and topics addressed, and track progress. We believe it is important to lead by example and our ESG report also provides information on how AVI thinks about and takes action on ESG issues as a company. We believe transparent reporting is important in ensuring accountability and enhancing trust with stakeholders. Our ESG report can be found on our website and we seek to provide annual updates on our ESG, Sustainability and Responsible Investment approach. <https://www.assetvalueinvestors.com/responsible-investing/esg-reporting/>

During 2023, AVI also published an updated stewardship policy and ESG voting guidelines. Whilst our engagements are highly bespoke, this policy aims to outline our approach to different types of engagements, our process for monitoring companies, how we identify and prioritise topics and companies for focused engagement, as well as how we escalate our engagements where insufficient progress is being made. This policy also outlines our ESG voting guidelines which includes a commitment that AVI will publicly disclose its rationale should we decide to vote against an ESG-related shareholder resolution, effective from the date of the policy's publication (September 2023). This policy can be found on our website here: <https://www.assetvalueinvestors.com/responsible-investing/esg-approach/>

Engagement is central to our strategy. Having submitted shareholder proposals specifically addressing E and S issues at two different companies' AGMs the previous year, in 2023 we submitted 'G' shareholder resolutions at NC Holdings, addressing topics such as board independence and diversity, takeover provisions, remuneration, and disclosure, as well as balance sheet issues which we do not classify within 'G'. In a very rare occurrence at Japanese AGMs, three of our shareholder proposals successfully passed, with a further three receiving majority shareholder support. Whilst we are willing to take our concerns public to raise awareness and compel change, this a last step, and where possible we seek to keep our dialogues with companies private. Indeed, in 2023, all of our engagements on E and S themes were conducted behind the scenes and we were encouraged by the progress made by our portfolio companies. Engagement topics are identified on a case-by-case basis, and we avoid generic guidance instead carefully analysing the topic in question within the company's specific context. During 2023, we engaged intensively on environmental themes with five companies, a total of 17 times, covering topics such as GHG emissions, energy management, improving disclosure, and Science-Based targets. We also engaged with ten companies a total of 26 times on social themes covering responsible supply chains, DE&I, human resource development, human rights and employee wellbeing. Moreover, we engaged with 28 companies a total of 92 times to share our views and analysis on specific governance-related issues. We took these concerns public for three companies during 2023: Digital Garage; Hipgnosis Songs Fund and NC Holdings.

We will discuss specific engagement efforts and progress made in more detail in the relevant section of this report. Details of our public campaigns can be accessed on our website: <https://www.assetvalueinvestors.com/responsible-investing/activist-campaigns/>

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Responsible investment, ESG and sustainability are not static concepts, and we are ready to regularly review and fine-tune our process to ensure its effectiveness and integration throughout our investment process. By continuing to embed and refine our approach, we will continue to proactively pursue our goal of supporting sustainable, resilient businesses by helping our companies address ESG weaknesses and ensure responsible business practices.

In addition, AVI has set the following specific objectives:

- Improve AVI's ESG-related disclosure.

We published our first ESG and Sustainability Report to aid stakeholder understanding of our approach. This report details how we, as Responsible Investors, think about and integrate ESG considerations throughout the investment process, offering qualitative and quantitative insights and case studies. We seek to report annually on our ESG and responsible investment activities in this format.

- Continue to develop, over the longer term, capacity to assess climate-related risk and transparently report this.

We will look to disclose absolute carbon emissions and carbon intensity across the entire investment portfolio as well as portfolio breakdowns and will conduct hotspot analysis.

- Continue to carefully assess collaborative engagement opportunities.

We are signatories of the CCLA Corporate Mental Health Initiative for the UK. This was an initial step in understanding the process of collaborative engagement. We recognise the value of collaborative engagements in addressing collective concerns and streamlining views and action. We will look to participate or lead in such initiatives where it will advance our stewardship objectives.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Joe Bauernfreund

Position

CEO & CIO

Organisation's Name

Asset Value Investors

● A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

○ B

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2023

SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- ☐ (A) Yes
- ☒ (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 1,911,423,113.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	100%	0%
(B) Fixed income	0%	0%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

Provide a further breakdown of your internally managed listed equity AUM.

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental 100%

(D) Other strategies 0%

GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

(A) Listed equity (2) >0 to 10%

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

(1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

(1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active

(12) 100%

ESG INCORPORATION

INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

(1) Yes, we incorporate ESG factors
into our investment decisions

(2) No, we do not incorporate ESG
factors into our investment decisions

(C) Listed equity - active -
fundamental

☒

☐

ESG STRATEGIES

LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	100%
(E) Thematic and integration	0%
(F) Screening and thematic	0%
(G) All three approaches combined	0%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?

Percentage coverage out of your total listed equity assets where a screening approach is applied

(A) Positive/best-in-class screening only

0%

(B) Negative screening only

100%

(C) A combination of screening approaches

0%

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

- ☐ (A) Yes, we market products and/or funds as ESG and/or sustainable
- ☒ (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- ☐ (C) Not applicable; we do not offer products or funds

SUMMARY OF REPORTING REQUIREMENTS

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

SUBMISSION INFORMATION

REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- ☒ (A) Publish as absolute numbers
- ☐ (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☐ (E) Guidelines on sustainability outcomes
- ☐ (F) Guidelines tailored to the specific asset class(es) we hold
- ☒ (G) Guidelines on exclusions
- ☒ (H) Guidelines on managing conflicts of interest related to responsible investment
- ☒ (I) Stewardship: Guidelines on engagement with investees
- ☒ (J) Stewardship: Guidelines on overall political engagement
- ☐ (K) Stewardship: Guidelines on engagement with other key stakeholders
- ☒ (L) Stewardship: Guidelines on (proxy) voting
- ☐ (M) Other responsible investment elements not listed here
 - ☐ (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- ☒ (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- ☒ (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- ☐ (C) Specific guidelines on other systematic sustainability issues
 - ☐ (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

☒ **(A) Overall approach to responsible investment**

Add link:

<https://www.assetvalueinvestors.com/content/uploads/2024/02/AVI-ESG-Policy-2024.pdf>

☒ **(B) Guidelines on environmental factors**

Add link:

<https://www.assetvalueinvestors.com/content/uploads/2024/02/AVI-ESG-Policy-2024.pdf>

☒ **(C) Guidelines on social factors**

Add link:

<https://www.assetvalueinvestors.com/content/uploads/2024/02/AVI-ESG-Policy-2024.pdf>

☒ **(D) Guidelines on governance factors**

Add link:

<https://www.assetvalueinvestors.com/content/uploads/2024/02/AVI-ESG-Policy-2024.pdf>

☒ **(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://www.assetvalueinvestors.com/content/uploads/2023/09/AVI-Stewardship-Policy-2023-1.pdf>

☒ **(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://www.assetvalueinvestors.com/content/uploads/2023/09/AVI-Stewardship-Policy-2023-1.pdf>

☒ **(J) Guidelines on exclusions**

Add link:

<https://www.assetvalueinvestors.com/content/uploads/2024/02/AVI-ESG-Policy-2024.pdf>

☒ **(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

<https://www.assetvalueinvestors.com/content/uploads/2023/09/AVI-Stewardship-Policy-2023-1.pdf>

☒ **(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://www.assetvalueinvestors.com/content/uploads/2023/09/AVI-Stewardship-Policy-2023-1.pdf>

☒ **(M) Stewardship: Guidelines on overall political engagement**

Add link:

<https://www.assetvalueinvestors.com/content/uploads/2023/09/AVI-Stewardship-Policy-2023-1.pdf>

☒ **(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://www.assetvalueinvestors.com/content/uploads/2023/09/AVI-Stewardship-Policy-2023-1.pdf>

☐ **(Q) No elements of our formal responsible investment policy(ies) are publicly available**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

☒ **(A) Yes**

Elaborate:

We believe that companies with a responsible approach to the environment, society, and governance will do better in the long term and contribute to overall financial market stability by effectively managing systematic sustainability issues and their related risks. Therefore, as long-term, fundamental investors we consider responsible investment and the integration of ESG factors into decision making and stewardship activities as part of our fiduciary duty and an inherent component of our investment strategy.

We are committed to actively engaging with portfolio companies to drive positive change by promoting sustainable practices and building resilience to material ESG risks for the long-term benefit of the company, wider stakeholders, and our clients.

☐ **(B) No**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- ☒ **(A) Overall stewardship objectives**
- ☒ **(B) Prioritisation of specific ESG factors to be advanced via stewardship activities**
- ☒ **(C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts**
- ☒ **(D) How different stewardship tools and activities are used across the organisation**
- ☒ **(E) Approach to escalation in stewardship**
- ☒ **(F) Approach to collaboration in stewardship**
- ☒ **(G) Conflicts of interest related to stewardship**
- ☒ **(H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa**
- ☐ **(I) Other**
- ☐ **(J) None of the above elements is captured in our policy(ies) or guidelines on stewardship**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- ☒ **(A) Yes, it includes voting principles and/or guidelines on specific environmental factors**
- ☒ **(B) Yes, it includes voting principles and/or guidelines on specific social factors**
- ☒ **(C) Yes, it includes voting principles and/or guidelines on specific governance factors**

- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment	
(B) Guidelines on environmental factors	(7) 100%
(C) Guidelines on social factors	
(D) Guidelines on governance factors	

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

☒ **(A) Listed equity**

(1) Percentage of AUM covered

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%

☒ **(11) 100%**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

☒ **(A) Actively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

GOVERNANCE

ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- ☒ (A) Board members, trustees, or equivalent
- ☐ (B) Senior executive-level staff, or equivalent
- ☐ (C) Investment committee, or equivalent
- ☐ (D) Head of department, or equivalent
- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

(1) Board members, trustees, or equivalent

(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>

(E) Specific guidelines on human rights (may be part of guidelines on social factors)	☑
(H) Guidelines on exclusions	☑
(I) Guidelines on managing conflicts of interest related to responsible investment	☑
(J) Stewardship: Guidelines on engagement with investees	☑
(K) Stewardship: Guidelines on overall political engagement	☑
(M) Stewardship: Guidelines on (proxy) voting	☑
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

● (A) Yes

Describe how you do this:

AVI is a small team. Any direct political engagement efforts or involvement in public policy initiatives are discussed at regular investment and stewardship meetings to ensure they align with our stewardship objectives which have been set in the context of our long-term view and commitment to the principles of the PRI. This process is overseen by AVI's Stewardship and Sustainability Risk Committee which is chaired by the Director on AVI's Board who is responsible for Responsible Investment. Similarly, any membership/support of third-party organisations that conduct political engagement is approved by this committee and director.

- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

☒ (A) Internal role(s)

Specify:

AVI has a dedicated ESG analyst who is responsible for the day-to-day implementation of our responsible investment policies and reports directly to the Board member who is ultimately accountable. All analysts are responsible for carrying out responsible investing activities. Our ESG analyst works alongside the investment team, conducting ESG-related research and monitoring, providing support on engagement activities and highlighting potential areas for ESG-related engagements.

☐ (B) External investment managers, service providers, or other external partners or suppliers

☐ (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?

☐ (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

☒ (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Explain why: (Voluntary)

AVI does not currently use responsible investment KPIs to evaluate the performance of board members. As a small organisation, AVI undertakes a qualitative assessment of each board member's performance in relation to their area of responsibility.

EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

☒ (A) Any changes in policies related to responsible investment

☒ (B) Any changes in governance or oversight related to responsible investment

☒ (C) Stewardship-related commitments

☒ (D) Progress towards stewardship-related commitments

☒ (E) Climate-related commitments

☒ (F) Progress towards climate-related commitments

☐ (G) Human rights-related commitments

☐ (H) Progress towards human rights-related commitments

- ☐ (I) Commitments to other systematic sustainability issues
- ☐ (J) Progress towards commitments on other systematic sustainability issues
- ☐ (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- ☒ **(A) Yes, including all governance-related recommended disclosures**
 - ☐ (B) Yes, including all strategy-related recommended disclosures
 - ☒ **(C) Yes, including all risk management-related recommended disclosures**
 - ☐ (D) Yes, including all applicable metrics and targets-related recommended disclosures
 - ☐ (E) None of the above
- Add link(s):

<https://www.assetvalueinvestors.com/content/uploads/2024/02/2023-ESG-REPORT.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

- ☒ **(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement**

Add link(s):

<https://www.assetvalueinvestors.com/content/uploads/2024/02/2023-ESG-REPORT.pdf>

- ☐ (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- ☐ (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

STRATEGY

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- ☒ (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- ☐ (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- ☒ (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- ☐ (D) Exclusions based on our organisation's climate change commitments
- ☐ (E) Other elements
- ☐ (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- ☐ (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- ☐ (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- ☐ (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- ☐ (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- ☐ (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- ☒ (F) Not applicable; we do not have a strategic asset allocation process

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

(1) Listed equity

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

☐

(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

☒

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- ☐ (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- ☒ (B) We collaborate on a case-by-case basis
- ☐ (C) Other
- ☐ (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.

We recognise the value of collaborative engagement to address issues of collective concern. Collaborative action is determined on a case-by-case basis and considered within the context of any ongoing individual engagement and whether it will help to progress our stewardship objectives. We are most likely to engage in collaborative initiatives in instances where we have less opportunity for direct individual communication with the company, for example, due to the size of our holding or the size of the company, or where we feel that similar demands are being made by others and streamlining voices and resources would benefit all parties.

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

☒ **(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**

Select from the below list:

- ☒ **(1) in all cases**
- ☐ (2) in a majority of cases
- ☐ (3) in a minority of cases

☒ **(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**

Select from the below list:

- ☒ **(1) in all cases**
- ☐ (2) in a majority of cases
- ☐ (3) in a minority of cases
- ☐ (D) We do not review external service providers' voting recommendations
- ☐ (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How is voting addressed in your securities lending programme?

- ☐ (A) We recall all securities for voting on all ballot items
- ☐ (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting

- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- ☐ (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database

- ☒ (B) We pre-declared our voting intentions publicly by other means, e.g. through our website

Add link(s) to public disclosure:

<https://www.assetvalueinvestors.com/campaign/asset-value-investors-voices-concerns-over-digital-garages-corporate-governance-and-directors-credibility-intending-to-vote-against-their-re-election-at-the-june-2024-agm/>
<https://www.assetvalueinvestors.com/content/uploads/2023/10/AVI-Public-Letter-SONG.pdf>
<https://www.bloomberg.com/news/articles/2023-06-21/elevator-maker-showcases-growing-shareholder-activism-in-japan?ref=AzGQ9YeO>

- ☒ (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM

- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- (A) Yes, for all (proxy) votes
- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes

Add link(s):

Explain why you only publicly disclose a minority of (proxy) voting decisions:

We publicly disclose our voting decisions for AVI Japan Opportunities Trust (AJOT) in line with Japan's Stewardship Code. Publicly disclosing our voting decisions for all funds and strategies is currently under consideration.

- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(3) for a minority of votes	(1) for all votes
(B) Yes, we privately communicated the rationale to the company	(2) for a majority of votes	(2) for a majority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○

(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year

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(A) Yes, we publicly disclosed the rationale - Add link(s):

<https://www.bloomberg.com/news/articles/2023-06-21/elevator-maker-showcases-growing-shareholder-activism-in-japan?sref=AzGQ9YeO>

STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9 HF, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

(1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one

☒

(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal

☒

(C) Publicly engaging the entity, e.g. signing an open letter

☒

(D) Voting against the re-election of one or more board directors

☒

(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director

☒

(F) Divesting

☒

(G) Litigation

☒

(H) Other

☐

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

o

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- ☒ (A) Yes, we engaged with policy makers directly
- ☐ (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- ☐ (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- ☐ (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- ☐ (A) We participated in 'sign-on' letters
- ☒ (B) We responded to policy consultations
- ☒ (C) We provided technical input via government- or regulator-backed working groups

Describe:

Japan's Ministry for Economy, Trade and Industry (METI) established the Fair Acquisition Study Group and started discussions toward formulating a new set of guidelines for fair acquisitions and defensive measures in Japan. In May 2023, in response to METI's public consultation process, AVI submitted an open letter providing detailed analysis and explanation of our views on these matters, which were reported to and discussed by the Fair Acquisition Study Group in its sixth meeting. Our open letter was the only opinion letter reported by Nikkei and is also available in full on our website <https://www.assetvalueinvestors.com/content/uploads/2023/05/METI-Guidelines-Comments.pdf>. Following this, in response to METI's request, AVI and METI had a private meeting to share AVI's technical views on the draft guidelines and ongoing discussions. Many of AVI's comments are reflected in METI's draft of new guidelines which has now been completed and the second public comment process has been initiated. AVI will continue to engage, as appropriate, to offer technical input and support the advancement of increased transparency and fairness in M&A activities.

- ☒ (D) We engaged policy makers on our own initiative

Describe:

During 2023, we engaged with the UK Treasury and AIC regarding the implementation of a new approach to investment company cost disclosures within portfolios pertaining to funds which invest in other investment companies. The change requires funds to report the costs of investment companies held in its portfolio within the fund's overall aggregated cost disclosure, the OCF or Ongoing Charge Figure. We believe this development to be misguided; it is a fundamentally flawed costs and charges disclosure regime that prevents investors from making decisions based on risk and return, with negative effects for the listed investment company sector. In September 2023, we sent letters, alongside the boards of our funds, detailing our views to the AIC and UK treasury, as well as engaging with the FCA on this matter. In November 2023, the FCA set out initial measures to address concerns raised by stakeholders and avoid disclosure obligations producing unhelpful cost information for consumers. <https://www.fca.org.uk/news/news-stories/forbearance-measures-investment-company-cost-disclosure>.

☐ (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- ☐ (A) We publicly disclosed all our policy positions
☒ **(B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

<https://www.assetvalueinvestors.com/insight/avi-responds-to-meti-consultation-in-japan/>

- ☐ (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

TSI Holdings - Weaving Sustainable Practices into the Fabric of the Company

(1) Led by

- ☒ **(1) Internally led**
☐ (2) External service provider led
☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ **(1) Environmental factors**
☒ **(2) Social factors**
☐ (3) Governance factors

(3) Asset class(es)

- ☒ **(1) Listed equity**
☐ (2) Fixed income
☐ (3) Private equity

- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

AVI first invested in TSI Holdings, which owns a collection of diversified apparel brands including PEARLY GATES, Margaret Howell, HUF and Stüssy, in July 2022. TSI joined AGT's portfolio in January 2023 and we are now the largest shareholder with c. 8.6% stake across all AVI funds. We have built a strong relationship and constructive dialogue with the company, holding 14 meetings, visiting its HQ in Japan, and sending a 43-page presentation, offering detailed suggestions to address its undervaluation and build sustainable corporate value.

Our approach to engagement is highly bespoke, looking at the company as a whole and considering all drivers relevant to its long-term success. Companies operating in the apparel sector are exposed to heightened environmental and social risks. As part of wider analysis on both financial and operational enhancements, our presentation identified a number of ESG-related improvements regarding the visualisation and management of GHG emissions,

responsible supply chain management, diversity, employee training and development, and performance linked pay.

TSI Holdings recognises that the majority of its impact on

the environment and society occurs in its value chain and is

demonstrating its commitment to managing this. The company has partnered with Boost Technologies to develop a centralised mapping and managing tool, covering all of the company's more than 50 apparel brands, to monitor emissions and drive decarbonisation across the entire supply chain. This commitment is bolstered by

TSI Holdings having its emission reduction targets approved by the Science Based Targets initiative (SBTi) in October 2023.

The board and management continue to be receptive to our

suggestions and we are encouraged by their proactive mindset. TSI Holdings' share price has increased by 134% since we initiated our investment. We continue to engage with the company on a wide range of themes, and we see significant opportunities to unlock value.

*All figures as at 31/12/2023

(B) Example 2:

Title of stewardship activity:

Hipgnosis Songs Fund - Singing out of Tune with Shareholder Interests and Strong Corporate Governance Practices

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☐ (2) Social factors
- ☒ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry

- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Hipgnosis Songs Fund (SONG) is a London-listed closed-ended fund investing in music royalties. The Company's external manager, Hipgnosis Songs Management, was founded by Merck Mercuriadis, a veteran of the music industry. SONG owns the rights to the back catalogues of artists including Justin Bieber, Blondie and Kaiser Chiefs. As at end of 2023, AVI owned a 6.3% stake in the company. AVI has engaged extensively with the company and its stakeholders to protect and unlock value.

The trials and tribulations of SONG have been well reported in the media over the second half of 2023 and into 2024. In the context of long-standing concerns regarding the fund's financial controls, valuation process, the efficacy of the governing body, and the fund's persistent discount, Hipgnosis' announcement proposing the sale of a portion of its music portfolio to a related party at a large discount to carrying value brought the situation to a crescendo.

Aside from the obvious conflict of interest in selling the catalogue to a fund managed by Blackstone, the majority owner of Mercuriadis' company, the actual discount of the proposed transaction was also much wider than the headline figures suggested once one accounted for "below the line" costs. Following private dialogue with the company, AVI published a public letter urging shareholders to vote against the proposals at SONG's upcoming AGM, highlighting the 'misleading narrative' that a failed continuation vote would trigger a fire sale and emphasising that the proposed sale reflected a flawed and uncompetitive process and would be a 'truly dreadful deal for shareholders'.

Shareholders responded emphatically, 83% voting against continuation and 84% voting against the proposed sale, voicing an unequivocal demand for change. With two directors resigning on the eve of the AGM and the then-Chairman suffering a resounding vote against his re-election, we and other shareholders engaged with the remaining rump to push for the appointment of two new directors - Robert Naylor and Francis Keeling - who had just stepped down from SONG's peer company Round Hill Music Royalty Fund ("RHM") following its acquisition by Concord. Both were appointed, with Robert immediately installed as Chairman.

In April 2024, Concord, a music rights firm backed by Apollo announced a bid for SONG which ultimately was raised and won by Blackstone at \$1.30 per share, which represents a premium of +47% to the undisturbed share price. The new directors joined the company at a time of crisis and engineered an excellent outcome for shareholders in a timeframe few would have felt possible at the time of their appointment. This marks the end of a highly successful investment for AGT, which not only generated a very strong return for AGT's shareholders, but has demonstrated again both the value of shareholder activism and the critical importance of having the right people on boards.

(C) Example 3:

Title of stewardship activity:

LVMH - Engaging Collaboratively to Enhance Workplace Mental Health Practices

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☒ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

In January 2023, AVI joined CCLA's global initiative seeking to improve the corporate approach to workplace mental health. CCLA produces annual Corporate Mental Health Benchmarks, ranking in scope companies from poor (Tier 5) to frontrunners (Tier 1) according to their mental health policies and practices. Based on this assessment, CCLA and signatories of the collaborative initiative engage with companies, emphasising the importance of workplace mental health in building sustainable businesses, and provide a roadmap to assist companies, wherever they are in their journey, in implementing best practice.

AVI first invested in LVMH, through its holding company Christian Dior, in March 2020. LVMH was ranked as 'Tier 4' in CCLA's 2022 Global 100 Benchmark Report (see page 11). Following engagement, LVMH have taken significant first steps to demonstrate their commitment to improving their approach to workplace mental health and in 2023, CCLA increased their assessment and ranking of LVMH to 'Tier 3' which is assigned to companies who are "on the way to developing robust systems for workplace mental health management and disclosure".

Due to the size of the company and therefore the size of our stake in it, effective individual engagement with the company is difficult. AVI recognise the value of collaborative engagement in addressing collective issues; investors' voices can be more effective in bringing about change when they join together. We will continue to participate in CCLA's collaborative initiative and engage with LVMH to voice our belief in the importance of effective management of workplace mental health and promote the continual improvement of the company's practices.

<https://www.ccla.co.uk/documents/2022-mental-health-benchmark-global-100-report/download?inline=>

<https://www.ccla.co.uk/documents/ccla-2023-corporate-mental-health-benchmark-global-100/download?inline>

(D) Example 4:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☐ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☐ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

(E) Example 5:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☐ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☐ (1) Listed equity

- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

- ☐ (A) Yes, within our standard planning horizon
- ☒ (B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Climate change is having and will continue to have structural and pervasive effects across geographies and sectors and the financial market system as a whole. Understanding our exposure to climate related risks and opportunities and how material risks manifest in the context of each investment forms part of our extensive and ongoing bottom up analysis of our portfolio companies. Our assessments include consideration of whether there are potential material physical impacts; both acute and chronic which could financially impact our investments both in the short-medium term and long-term time horizon. We systematically assess both the environmental impact and dependencies of portfolio companies, as well as the extent to which credible strategies have been implemented and targets have been set to effectively manage this. This process helps us to identify exposure to transitional risk arising from regulatory/policy changes, resource use etc and potential reputational risks arising from business conduct.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

- (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Climate related risks and opportunities are integrated into each stage of our investment process; pre-investment research, portfolio diversification, risk assessment & management and stewardship & engagement activities. The integration of material climate related risks and opportunities is integral comprehensively understand each investment's ability to create long-term value. We seek to invest in quality companies that can drive long-term sustainable value however we do not set a minimum threshold related to climate metrics. Instead we assess each company on a case-by-case basis and once invested, want to see our companies improve over time and will be proactive in supporting this process.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General
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Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- ☐ (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- ☐ (B) Yes, using the One Earth Climate Model scenario
- ☐ (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- ☐ (D) Yes, using other scenarios
- ☒ (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General
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Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

- ☒ (A) Yes, we have a process to identify and assess climate-related risks
 - (1) Describe your process

Climate-related risks form an important part of our risk management process which is integrated into each stage of our investment process. An assessment of company exposure to climate risk, considering both physical and transitional risks, forms part of our extensive pre-investment research. If climate risk is identified as material, further analysis will be undertaken in consideration of the extent to which exposure to climate risks is being effectively managed and integrated into the company's strategy and operations. This bottom-up assessment is debated by the investment team as part of the fundamental analysis of each company. We will also assess involvement in any climate-related controversies which can indicate heightened risk particularly in instances where a pattern of negative practices and conduct can be seen.

Risk management is an ongoing process; once we are invested in a company, we update our views continuously to reflect developments and emergent risks. This is supported by our bespoke internal ESG monitoring system which provides a framework to conduct annual assessments of our portfolio companies allowing us to track their performance and progress against defined ESG metrics including those that evaluate environmental impact, climate risk, and the extent to which these are being effectively managed. These assessments are used as a reference point in the continual assessment of a companies' exposure and management of climate risks against the backdrop of evolving policy, extreme weather events, geopolitical developments etc. and inform our view/thesis on the company, highlighting areas where we can engage with companies to promote transparency, sustainable practices and build resilience to climate risk.

- (2) Describe how this process is integrated into your overall risk management

As part of our risk management process, we continually analyse and monitor the portfolio and its individual holdings and integrate climate risk as mentioned above. Mechanical risk measures - such as limits on geographic or sectoral exposure – are eschewed in favour of a deep understanding of each investment, informed by our rigorous and ongoing research process. Climate related risks are carefully considered alongside other risk factors in investment decision making.

- ☒ (B) Yes, we have a process to manage climate-related risks
 - (1) Describe your process

As mentioned above, our internal ESG monitoring system allows us to track and evaluate investee companies' environmental impact, commitments to mitigate climate related risks, and whether robust effective action is being taken. These assessments help us to identify unmanaged climate risks or areas for improvement where we can constructively engage with our companies, providing guidance and analysis to build resilience to climate risk. We believe that proactive engagement with investee companies is an important risk management tool. We invest in a wide range of industries and recognise that decarbonisation cannot materialise overnight. Where companies show robust commitment and credible action, we are willing to be patient, however, if we assess the response to climate change to be inadequate, we will be proactive in working with companies to suggest remedies and use our influence to drive change. Annual ESG assessments and engagement progress and outcomes are tracked in our database and provide a feedback loop for the ongoing assessment and management of climate risk at both the individual holding level and portfolio level.

(2) Describe how this process is integrated into your overall risk management

As above. Stewardship and engagement activities and outcomes inform our ongoing risk management assessment and investment decisions. Our buy, hold and sell decisions are considered on a case-by-case basis and driven by our balancing of ESG considerations with financial performance and our fiduciary responsibility to our clients.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?

- ☐ (A) Exposure to physical risk
- ☐ (B) Exposure to transition risk
- ☐ (C) Internal carbon price
- ☐ (D) Total carbon emissions
- ☐ (E) Weighted average carbon intensity
- ☐ (F) Avoided emissions
- ☐ (G) Implied Temperature Rise (ITR)
- ☐ (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- ☐ (I) Proportion of assets or other business activities aligned with climate-related opportunities
- ☐ (J) Other metrics or variables
- ☒ **(K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year**

Explain why: (Voluntary)

We continue to develop our internal processes and look to disclose climate related metrics in the future.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

- ☐ (A) Scope 1 emissions
- ☐ (B) Scope 2 emissions
- ☐ (C) Scope 3 emissions (including financed emissions)
- ☒ **(D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year**

SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

- ☒ (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- ☒ (A) The UN Sustainable Development Goals (SDGs) and targets
- ☒ (B) The UNFCCC Paris Agreement
- ☒ (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☒ (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (E) The EU Taxonomy
- ☐ (F) Other relevant taxonomies
- ☐ (G) The International Bill of Human Rights
- ☒ (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (I) The Convention on Biological Diversity
- ☐ (J) Other international framework(s)
- ☐ (K) Other regional framework(s)
- ☐ (L) Other sectoral/issue-specific framework(s)
- ☐ (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- ☒ (A) Identify sustainability outcomes that are closely linked to our core investment activities
- ☐ (B) Consult with key clients and/or beneficiaries to align with their priorities
- ☒ (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- ☒ (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- ☐ (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- ☒ (F) Understand the geographical relevance of specific sustainability outcome objectives

- ☐ (G) Other method
- ☐ (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- ☒ (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?

☒ **(A) Corporate disclosures**

Provide further detail on how your organisation used these information sources:

We conduct annual ESG assessments on our portfolio companies. The basis for these assessments is company disclosure through for example corporate ESG/Sustainability reports, CDP reports, UNGP reports etc. Corporate disclosure alone does not provide the full picture but it acts as a foundation.

☒ **(B) Media reports**

Provide further detail on how your organisation used these information sources:

Media reports are continually monitored by the team to understand the constantly evolving landscape of each portfolio company. Media reports are a useful source to identify involvement in activities that have a negative impact on people. Whilst our hope is that controversies do not occur, they can be a marker of how well a company's policies and practices are integrated into business strategy and operations and highlight where improvements can be made.

☒ **(C) Reports and other information from NGOs and human rights institutions**

Provide further detail on how your organisation used these information sources:

Both to gain insight into sector risks of negative outcomes and in instances where portfolio companies may be linked/named.

☐ (D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank

☐ (E) Data provider scores or benchmarks

☒ **(F) Human rights violation alerts**

Provide further detail on how your organisation used these information sources:

We employ ISS Norms Based research to continually monitor any controversies or potential violation of international norms and standards including human rights. This information is fed directly into our proprietary database and alerts us to any potential incident including human rights violations. This information may then inform conversations or engagement with the company and impact our view/thesis on the company.

☒ **(G) Sell-side research**

Provide further detail on how your organisation used these information sources:

☒ **(H) Investor networks or other investors**

Provide further detail on how your organisation used these information sources:

☒ **(I) Information provided directly by affected stakeholders or their representatives**

Provide further detail on how your organisation used these information sources:

In some instances we monitor employee review sites to gain insights into employee views and any negative trends that emerge from comments to better understand working environment and the effectiveness of human capital management strategies. If potential issues are highlighted, we may reach out to stakeholders, experts or former employees to hear first hand experiences and concerns.

☒ **(J) Social media analysis**

Specify:

Provide further detail on how your organisation used these information sources:

☐ (K) Other

LISTED EQUITY (LE)

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?

(3) Active - fundamental

(A) Yes, our investment process incorporates material governance factors

(1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors

(1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period

(2) for a majority of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion

○

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

○

MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?

(3) Active - fundamental

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but it does not include scenario analyses

(1) for all of our AUM

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

o

(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

o

(B) Yes, we have a formal process but it does not include scenario analysis - Specify: (Voluntary)

ESG trends are continually evaluated as part of our ongoing monitoring of holdings. Where a company is identified as being exposed to material risks from ESG trends such as regulation, climate risk, technology etc this is monitored continually by the analyst responsible for the company and thoughts and updates are shared regularly amongst the team. Our formal ESG assessment of portfolio companies, conducted annually, provide a backdrop upon which to assess a company's resilience to these changing ESG trends and understand the extent to which effective and proactive action is being taken. As long-term value investors, understanding the complex and interwoven context within which a company operates is at the heart of what we do. A company's exposure and management of ESG trends contributes to our view and thesis of the company and is essential to understanding the companies' long-term value creation potential. This process does not necessarily include scenario analysis, however, the team may undertake such analysis to gain greater clarity on a case by case basis.

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?

(2) Active - fundamental

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(2) in a majority of cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?

(3) Active - fundamental

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors

(1) in all cases

(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors

(1) in all cases

(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability

(1) in all cases

(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

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ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?

(3) Active - fundamental

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- ☒ (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- ☐ (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- ☒ (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- ☐ (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings



(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents



(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities



(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents



(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion



(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process



DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

☒ (A) We share a list of ESG screens

☒ (B) We share any changes in ESG screens

☐ (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings

☐ (D) We do not share the above information for all our listed equity assets subject to ESG screens

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- ☐ (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- ☒ (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- ☒ (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- ☐ (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- ☐ (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- ☒ (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- ☐ (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

What responsible investment processes and/or data were audited through your internal audit function?

- ☒ (A) Policy, governance and strategy
Select from dropdown list:
 - ☐ (1) Data internally audited
 - ☐ (2) Processes internally audited
 - ☒ (3) Processes and data internally audited
- ☒ (C) Listed equity
Select from dropdown list:
 - ☐ (1) Data internally audited
 - ☐ (2) Processes internally audited
 - ☒ (3) Processes and data internally audited

INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

☒ **(A) Board, trustees, or equivalent**

Sections of PRI report reviewed

☒ **(1) the entire report**

☐ (2) selected sections of the report

☐ (B) Senior executive-level staff, investment committee, head of department, or equivalent

☐ (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year