

Cape Ann Asset Management Limited

Stewardship Code Statement

Cape Ann Asset Management Limited (“Cape Ann”) is authorised by the Financial Conduct Authority (“FCA”) and, pursuant to the FCA’s Conduct of Business Rules, is required to produce a statement of commitment to the UK Stewardship Code (“the Code”), or explain why it is inappropriate for our business model. This document describes how Cape Ann has applied the principles of the UK Stewardship Code (the “**Stewardship Code**”) in its role as a discretionary asset manager with respect to Client investments in publicly traded developing market equity securities. The statement also serves to provide information to unitholders in Cape Ann’s commingled funds, the companies in which we invest, and other market participants of Cape Ann’s approach to stewardship.¹

Principle 1 - Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

Cape Ann has outlined the key characteristics it looks for in boards of portfolio companies, in its Proxy Voting Policy and Procedures as well as its Environment, Social and Governance Policy. Cape Ann actively monitors and, where appropriate, will engage in dialogue with portfolio companies. Cape Ann’s belief is that active ownership – in the form of rigorous and long-term oriented analysis of investment prospects and holdings, proactive exercise of shareholder rights, and constructive engagement – can improve discipline, accountability, and long-term returns.

The Key Characteristics Cape Ann Looks for in a Board

Cape Ann looks to ensure that the boards of portfolio companies possess the following characteristics:

- Boards must recognise that they owe a service to their shareholders and, as an objective, must ensure that the company earns an attractive return on the capital contributed by shareholders.
- Boards must exhibit a good understanding of their business risks and opportunities and ensure performance drivers and values are consistent with sound business practices.
- Boards must develop a sound business plan backed by good capital allocation and not a series of high priced acquisitions.
- Boards must maintain the sound capitalisation of their companies. Too much debt is discouraged and any debt should be funded long term. Boards must avoid diluting shareholder returns by retaining excess capital that cannot be invested at appropriate returns.
- Boards must ensure that their company recruitment and human resources policies are structured to maintain competent management at a reasonable cost to shareholders without high cost imports.

Companies in Cape Ann’s investment programme may not exhibit some or all of these characteristics. Cape Ann will, however, take them into account when voting proxies and engaging with management.

Cape Ann is a signatory to the UN Principles for Responsible Investment and has developed an Environmental, Social and Governance (“ESG”) Policy which describes the incorporation of ESG issues into our investment process. A copy of Cape Ann’s ESG Policy is available in the Appendix.

¹ This document meets the requirements of an “engagement policy” under the amended EU Shareholders’ Rights Directive (“SRD II”).

Principle 2 - Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.

Cape Ann recognises the importance of identifying potential material conflicts and the need to have adequate systems and controls to avoid or mitigate their impact on the Clients. Cape Ann has developed a process for identifying various types of conflicts of interest and a policy for managing conflicts of interest associated with voting proxies and engaging with investee companies to include enhanced oversight by senior staff. Cape Ann has outlined additional procedures in its internal compliance procedures. Where conflicts of interest arise, Cape Ann endeavours to ensure clients continue to benefit equally from an opportunity or will look to remove the conflict from the equation.

Principle 3 - Institutional investors should monitor their investee companies.

Cape Ann believes that it is desirable for management and staff of a public company to be owners or shareholders in that company. It is desirable because employees can share in the long term prosperity that they work to create. Shareholders then find that their interests are as aligned as possible with the interests of those working in the company. There are different ways to achieve this objective. Cape Ann starts by drawing a simple, but very important, distinction between share ownership and share options. These are not synonymous. Cape Ann expects management remuneration to have a significant variable element – typically a bonus to reflect both individual merit and the success of the business. The more senior the management the more closely these criteria come together. Cape Ann also believes that some proportion of this bonus should be received in shares. The precise amount of bonus and the proportion that should be received in shares should be at the discretion of a remuneration committee that reviews available indicators of individual and business performance. Cape Ann sees a distinction between business performance and share price performance. Management have the opportunity to help deliver good business performance – attractive returns on capital and a good growth in earnings, dividends and asset value – but the share price may be an entirely different matter for extended periods of time. Cape Ann favours remuneration that is geared to business performance not stock market performance. By awarding shares in this way, the expense becomes part of the overall remuneration cost and is properly and transparently charged.

Cape Ann supports as broad a level of share ownership as possible within a given portfolio company and does not favour schemes that are narrowly focussed. What is being sought is a system which helps to create a better ethos across the whole company. This can only be achieved by broad application. The essence must be to reward employees who think in terms of the long term interest of the business. Schemes should be put in place for the long term, not as a short term matter. The main beneficiary becomes an employee who makes a sustained commitment to the company.

- Cape Ann monitors the companies in which we invest and, where appropriate, will communicate our views to their management and their boards. This dialogue allows Cape Ann to monitor the development of companies' businesses, including areas such as overall strategy, business planning and delivery of objectives, capital structure, proposed acquisitions or disposals, corporate responsibility and corporate governance.
- Cape Ann seeks to satisfy itself, to the extent reasonably practicable, that the investee company's board and committee structures are effective, and that independent directors provide adequate oversight. Our monitoring of investee company boards, strategy,

operational, governance, performance and capital allocation is integral to its investment process;

- Cape Ann monitors the effectiveness of its engagement with the managements and boards of investee companies. Cape Ann's communications, and the success of any such communications, will play a part in our proxy voting decisions;
- Cape Ann votes the vast majority of shares it controls by proxy. Cape Ann will, in exceptional circumstances, attend meetings for companies in which there are large holdings, where a problematic issue is being discussed and/or if Cape Ann believes that this is reasonably necessary to fulfil its fiduciary responsibilities to the Clients. Cape Ann will introduce AGM and/or EGM motions where it believes it is in the best interest of the Clients to do so;
- In the unlikely event that Cape Ann is made an insider, Cape Ann follows its internal compliance procedures governing market abuse and insider dealing; and,
- In accordance with applicable law and its internal document retention policies, Cape Ann keeps electronic records of material engagements, voting and other corporate governance and corporate responsibility activities, including the rationale for voting decisions.

Principle 4 - Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.

Cape Ann prefers to have confidential and private discussions with companies as we believe that this enables Cape Ann to build an effective relationship with boards and management. Cape Ann will consider engaging in more public communications and/or proxy activities. This may include voting against the management or board of an investee company or a given motion, issuing a press release documenting its opposition to a given issue, recommending to other shareholders that they take a specific action, introducing AGM and/or EGM motions and/or attending meetings in person.

Principle 5 - Institutional investors should be willing to act collectively with other investors, where appropriate.

Subject to regulatory restrictions, conflicts of interest and acting in concert restrictions, and where it is in the best interests of the Clients to do so, Cape Ann will participate in collaborative engagement activities. These are considered on a case by case basis and addressed in the context of economic environment and other business issues. Cape Ann looks to avoid situations where it will become an insider unless there is a clear economic benefit to the Clients from doing so.

Principle 6 - Institutional investors should have a clear policy on voting and disclosure of voting activity.

Cape Ann ordinarily likes to support the management and boards of the companies in which we invest. However, we consider every motion individually and if we consider it is not in the best interests of our clients, we may consider voting against or abstaining. We are informed by internal research and also by voting guidance produced by the external firm ISS. In accordance with our proxy voting policy, a copy of which is available in the Appendix of this statement, we seek to vote all shares held. An overview of how Cape Ann applied its proxy voting and corporate governance policies during 2020 is set out below:

During 2020 Cape Ann voted on 1082 motions at 100 company meetings. Cape Ann voted against approximately 14% of those motions which included, amongst other items, voting against:

- unsustainable directors' remuneration packages;

- provisions which might disadvantage minority shareholders; and
- proposed amendments to a company's articles of association which might seek to reduce diversity on the company's board.

Principle 7 - Institutional investors should report periodically on their stewardship and voting activities.

Unitholders may receive a quarterly summary of proxies voted or not voted by contacting Cape Ann's Client Services representatives and asking to be included on the quarterly proxy voting distribution list. Cape Ann does not provide other third parties with information on how it has voted proxies. Cape Ann does not subject its proxy voting systems and/or procedures to review by its auditors or any independent third parties due. Cape Ann believes this to be unnecessary given the simplicity of Cape Ann's business structure and the sophistication of its institutional client base.

Appendix I

Proxy Voting Policy and Procedures

Cape Ann considers it to be of paramount importance when assessing proxy voting responsibilities on behalf of its privately offered commingled funds and separately managed accounts (the “Clients”) to recognise the fiduciary responsibility it assumes in acting as investment manager. Cape Ann also recognises the need to exercise its proxy voting obligations with a view to enhancing long term investment values. Cape Ann believes that both are generally compatible with good corporate governance as they provide the best operating environment for each underlying portfolio company to cope with competitive commercial pressures. It is Cape Ann’s policy, subject to the considerations described below, to use its best efforts to vote proxies arising on all shares held on behalf of the Clients.

Standard issues typically arise at Annual General Meetings (“AGMs”) or Ordinary General Meetings (“OGMs”). Standard issues may include items of a routine nature such as the presentation of financial statements to shareholders, approval of routine executive compensation or incentive plans, approval of financial statements by shareholders, election of directors and approval of director’s fees, election of auditors and approval of audit fees and declaration of dividends. Material issues may arise at Extraordinary General Meetings (“EGMs”), Special General Meetings (“SGMs”), OGMs or AGMs. Material issues may include items that relate to corporate governance matters; changes in a company’s country of incorporation; mergers and other corporate restructurings; anti-takeover provisions such as staggered boards, poison pills, or supermajority provisions; changes to capital structures including increases and decreases of capital and preferred stock issuance; material stock option, management compensation, or incentive plan issues; and social and corporate responsibility considerations. Cape Ann also considers standard issues to be material issues when it has knowledge that a potential conflict of interest with management is present. These situations can arise where a portfolio company’s U.S. retirement plan assets are otherwise managed by Cape Ann, a portfolio company or one of its affiliated entities is also a counterparty to Cape Ann’s security or foreign exchange transactions or where the person responsible for overseeing investments at the Unitholder invested in a Client is also a director or officer of a portfolio company that would materially benefit from any executive compensation or incentive scheme subject to shareholder vote. Cape Ann may not be aware of the roles performed for current and/or potential portfolio companies by Unitholders. Unitholders should notify Cape Ann of any known affiliations with publicly traded companies that could fall within Cape Ann’s investment universe. Unitholders should also notify Cape Ann if they are actively involved in the financial services industry or affiliated or employed by an investment bank, broker, custodian or asset management firm.

The Northern Trust Company (“Northern Trust”) holds all securities for the benefit of the Unitholders in Cape Ann’s various commingled funds. Cape Ann has directed Northern Trust to outsource certain of its proxy processing responsibilities to ISS, a leading provider of proxy voting. ISS provides Cape Ann with meeting notification and ballot delivery services, agenda summaries, detailed agenda content including original source documents, translation services, power of attorney maintenance, recordkeeping and custom reports and vote instruction processing services. Meeting notifications are provided according to an established service level agreement in place between Cape Ann and ISS and one in place between the Northern Trust and Cape Ann. Cape Ann does not outsource any part of its proxy voting decision making process to ISS or Northern Trust. Separate arrangements may be in place for the custodians appointed by any permanent separately managed account relationships.

Following receipt of proxy voting materials from ISS, Cape Ann's administration group prepares a "Proxy Voting Summary Form". The form includes the details of the number of shares held by a Client and a deadline for the response. If only standard issues are included on the proxy, one authorised person will decide on how to vote the proxy and sign the proxy voting summary form. If material issues are included, enhanced procedures apply. The issue will be discussed with two or more authorised personnel and they will assess the potential impact that the issues may have on the portfolio company, and decide on how to vote the proxy in question. The proxy voting summary form will then be approved and the proxy vote processed.

In certain circumstances, Cape Ann may be unable to vote a specific proxy including, but not limited to, when Northern Trust or ISS does not provide a voting service in a given market, because Northern Trust or ISS in error does not process a proxy or provide sufficient notice of a vote or because an error is committed by any party involved in the proxy voting or registration process. Cape Ann may also refrain from voting if, for example, it is considering liquidating a position (as shares may be blocked when proxies are submitted), where the costs of voting a specific proxy outweigh the economic benefit that Cape Ann believes would be derived by a Client, where a specific class of shares or equity instrument does not carry voting rights with respect to a given issue subject to shareholder vote, or where re-registration of the shares into the Client's name (rather than Northern Trust's nominee's) name may (or may reasonably be expected to) result in a violation of local privacy laws or adversely impact the Client's economic interests.

Unitholders are advised that when voting proxies in certain markets, Cape Ann may be constrained by certain country or portfolio company specific issues. For example, some companies in the portfolio impose voting caps on the maximum number of proxy votes that any single outside shareholder may control. Others require all board issues to be resolved by a show of hands, rather than a poll. As all shares may be held by one nominee, these restrictions have the effect of substantially limiting the impact of any proxies cast. Furthermore, some companies in the portfolio may restrict Cape Ann from voting proxies where disclosures of holdings or securities under Cape Ann's control have not been made on a timely basis or in a format required under their articles of incorporation.

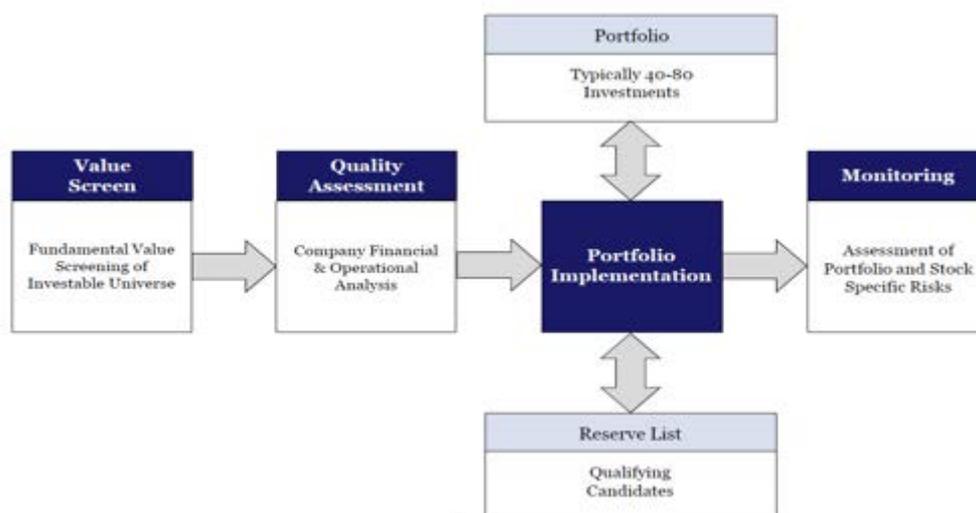
Cape Ann Asset Management Limited (“Cape Ann”) - ESG Policy

Our goal at Cape Ann is to achieve long-term growth for our clients primarily by investing in a diversified portfolio of companies located in developing markets. Our investment process seeks to invest in equity securities that, in our opinion, possess fundamental investment value and as part of that we the practice integration of Environmental, Social and Governance (“ESG”) factors. This policy describes the incorporation of ESG issues into our investment process through research, engagement and monitoring of portfolio and reserve list securities.

Investment Framework

We are value investors in developing market equities. We employ a bottom-up fundamental approach to stock picking using an assessment of intrinsic value which we define as the discount of a security price to the underlying economic value of the business. Our objective is to maximise the intrinsic value of the portfolio over time through a disciplined investment process. Our investment managers identify inexpensive stocks through the screening process and then conduct fundamental research to assess the quality of the underlying company. We generally seek to avoid companies with danger of severe capital loss due to excessive leverage or significant risks arising from ESG issues identified within our qualitative research process.

The investment process consists of a four stage iterative approach. The first two stages comprise the research process including idea generation through value screens and fundamental analysis. The last two stages encompass portfolio implementation and monitoring. The incorporation of ESG issues into the wider investment process typically takes place at the *Quality Assessment* stage and then subsequent engagement with portfolio companies, including proxy voting, forms part of *Monitoring*.



Data and Research

We obtain information from several third party ESG specialist firms, including CFRA, and MSCI’s ESG Research service, Accounting and Governance Risk (“AGR”) service, five factor ESG screening tool, and Carbon Emissions data. These tools flag issues across the three main ESG pillars and their sub-components and assist our assessment of issues by industry and company, along with measuring risk exposures. The AGR service allows monitoring of governance and accounting factors affecting the performance of public companies. We also

use Visual Compliance's Office of Foreign Assets Control ("OFAC") sanction screening tool to highlight U.S. Department of the Treasury's trade sanction issues.

Primary research is also a critical component of our fundamental analysis and will typically include direct discussions with company management about ESG issues which either we, or the company, consider relevant or which may have been raised by our third party providers. We have also identified key risks and questions in each relevant industry and sector in which we invest and these are addressed in each company report. Detailed notes of primary company meetings are stored on a central database and made available to all investment managers and analysts.

Whilst the data and information collected from third party providers and companies on ESG related risks is crucial to our process, we believe it is only ever a stepping stone to further analysis. We use this primary data to identify environmental, social or governance risks within any of our eight predefined quality heuristics and assess its potential impact on the sustainability of a company's -business model and its ability to impair future cash flow. We also assess the likelihood that an ESG risk will improve or deteriorate over time. We consider that business models which are dependent on unsustainable practices are likely to fall outside our quality criteria for investment consideration. For example we see businesses that use enforced labour, child labour, uneconomic wage rates and/or unsafe or harmful business practices (such as polluting or harming the environment) as being unlikely to compound returns and perhaps more likely to suffer from permanent loss of capital. Companies engaging in unsustainable practices normally make unlikely investment candidates. We also consider companies operating in industries or countries that have poor environmental or social safeguards as being another uncertainty worthy of further analysis, but this will not rule out an investment, particularly if the company in question acknowledges these issues and has a structure and plan in place to resolve them.

Decision Making

We do not pursue an exclusionary approach when assessing ESG risk and will not ordinarily rule any investment based solely on ESG criteria. We consider superior performance lies in identifying marginal changes which could be made in the business and how we might help corporates develop rather than starve them of capital. This drives our approach to stewardship and engagement once the decision to invest has been taken.

Our investment decisions are based primarily on business and financial considerations, and we assess eight quality heuristics when examining the qualitative aspects of a company. ESG risks can be identified in any heuristic if we consider it likely to have a material impact on a company's present or future financial position and cash flows, or conflict with our ability to manage investments. For instance carbon related business risks might be identified within our Sound Operational Quality heuristic, or poor corporate governance within the Able and Honest Management section. Identification of an ESG issue within a quality heuristic prompts further analysis and allows us to consider appropriate risks, make a balanced judgment on the investment opportunity, and act in the best interest of our clients.

We also want to be aware of how and where our portfolio companies operate whilst recognising that the decision to operate legally, either directly or indirectly, in an unpopular jurisdiction or industry, to deal with difficult political environments or unfriendly regimes in different regions around the world, the implementation of a business plan, and the reputation risk involved, lies with the management of a company. These are important issues, but important alongside many others – product positioning, financing, sustainability of cash flows, competitive threats, advertising, promotion, human resources, corporate governance, and more. These are all the responsibility of management, although they remain of keenest interest to us as an investment manager, for instance where the approach taken by a portfolio company

conflicts with global best-practice we may seek to work with company management to encourage improvement or vote against certain proposals at company meetings. In summary, the possibility that a portfolio company may legally operate in a given industry, country or region alone does not cause a change in our investment process.

As with other capital allocation decisions, once we identify that a company has a permanent inability to improve on the identified ESG issues and after repeated engagement attempts, we may consider exiting the position.

Engagement and active ownership

We actively monitor and, where appropriate, will engage in dialogue with portfolio companies on ESG and other issues. Our belief is that active ownership – in the form of rigorous and long-term oriented analysis of investment prospects and holdings, proactive exercise of shareholder rights, and constructive engagement – can improve discipline, accountability, and long-term returns. The identification and discussion of ESG related risks with portfolio companies is one strand of our approach to engagement.

We are conscious of the information asymmetry in emerging and frontier markets and use our access to board members and senior management of the companies we research and subsequently invest in to, to encourage adequate disclosure in this field. Our ambition is to have our investment universe report data that is reliable, auditable and comparable across different geographies. We ask portfolio companies to comment on the key risks and outline their path to improvement, either in disclosure of those risks or tackling the solution to minimize impact. We typically engage in a standalone project once a year with portfolio companies that we deem to have significant ESG issues in order to better understand what is being done to address them.

We expect that appropriate legal, governmental and other authorities around the world will take responsibility for addressing political, environmental and social matters fairly and wisely on behalf of their citizens. Accordingly, we adhere to the laws of the countries in which we do business and follow the rules and regulations applied by official agencies in those countries. We also expect that our portfolio companies will do the same and we closely monitors their record in this respect.

We may also, from time to time, consider participating in collaborative efforts with other investors raising similar concerns on ESG issues with regards to specific sectors and countries.

Proxy Voting

We use our best efforts to vote proxies arising on all shares held on behalf of our funds. We exercise our proxy voting obligations with a view to enhancing long term investment values and in accordance with our ESG, Stewardship Code and Proxy Voting policies. We believe that these policies are generally compatible with good corporate governance and ESG issues as they provide the best operating environment for each underlying portfolio company to cope with competitive commercial pressures.

We ordinarily like to support the management and boards of the companies in which we invest. However, we consider every motion individually and if we consider it is not in the best interests of our clients, or the sustainability of the business model, we may vote against or abstain We are informed by internal research and also by voting guidance produced by the external firm ISS.

All clients receive a detailed report summarising our proxy voting activities on a quarterly basis and a high level summary is available on our website.

Specific Investor Concerns

We understand that many institutional investors maintain a list of securities of restricted companies operating in certain industries or economic sectors from which they would like their investment managers to divest. Our policy is to respond to any inquiries that we receive on environmental, social or other governance matters but we have not agreed to any client specific investment restrictions when it comes to ESG matters, just as we do not practice an exclusionary approach to ESG matters generally. We do not accept client direction on proxy voting or corporate governance issues. Our investment team has observed at prior firms that certain clients can feel passionately about a specific issue while others feel passionately about different issues altogether. We therefore recognise that there are many political, environmental or social issues about which clients feel strongly, but we are obliged to act in the overall interests of all clients.

Education

ESG issues are evolving quickly and it is important that we keep pace with developments. We periodically educate ourselves and update the key identifiable risks by engaging with ESG specialists, attending conferences and completing educational training courses.

In order to better understand specific industries, we also commission external professional reports with a focus on Environmental and Social impact in different sectors/industries. We also became signatories to the UN Principles for Responsible Investment in 2017.

If you have any questions about Cape Ann's ESG Policy or status as a UN PRI signatory please contact John Lynch at +1 857 288 1500 or clientservice@capeannam.com.

Consideration of Sustainability Adverse Impacts In accordance with Article 4(1)(b) of Regulation (EU) 2019/2088

Pursuant to Article 4(1)(b) of Regulation (EU) 2019/2088 (the “Regulation”) Cape Ann Asset Management Limited (“Cape Ann”) is required to make disclosures regarding the consideration of sustainability factors as defined within the Regulation.

Cape Ann confirms that, with respect to the Cape Ann Global Developing Markets Programme (the “Strategy”), it does not explicitly take into account EU criteria for environmentally sustainable investments as defined within the Regulation. The funds within the Strategy are not considered to be ESG-oriented collective investment schemes for the purpose of the Regulation.

Cape Ann’s ESG Policy explains how we integrate the consideration of ESG issues into our fundamental research process, which seeks to avoid companies with the danger of severe capital loss due to significant risks arising from ESG issues. We do not pursue an exclusionary approach when assessing ESG risks and will not ordinarily rule out any investment based solely on ESG criteria. ESG risks can be identified at any stage of our research process if we consider it likely to have a material impact on a company’s present or future financial position and cash flow, or conflict with our ability to manage investments. We consider this integration of ESG risks to be aligned with the Strategy’s stated objective of achieving long-term growth by investing in a diversified portfolio of equity securities of companies located in developing markets, and is therefore an important element of our responsibility to act in our clients’ best interests.

A copy of our ESG Policy is available on request from clientservice@capeannam.com.