Fulcrum Asset Management Stewardship Report 2024-2025

UK STEWARDSHIP CODE

FULCRUM

Contents

Statement from Management Board

We are delighted to introduce our Stewardship Report (the "Report") for the year ending 30th June 2025. During the reporting period, perhaps the most notable trend we have witnessed is the increasing bifurcation around the topic of ESG in general. For the majority of our investors, who are in the UK, Europe and certain other geographies (such as Australia), ESG integration is as important as ever. We have regular interaction with ESG specialists at our clients, who are asking ever more sophisticated questions. On the other hand, we observe some investors questioning the validity of some of the concepts. Thus far, this has not created any notable challenges for Fulcrum as our clients, by and large, retain a strong focus on the topic. That said, we do see the varied demands of investors having an impact across the industry, complicating the job – making it difficult for fund managers to develop a consistent philosophy and messaging.

At Fulcrum, we remain committed to sustainability as a core value of our business. We have continued to incrementally develop our approach, with a focus on 'doing' as much as possible on top of 'reporting'. As we mentioned last year, biodiversity (and the broad topic of natural capital) is increasingly a key theme. We have seen many new strategies in this area and have been conducting a detailed research project to identify more opportunities and ideas. We look forward to discussing these in more depth in this report. The increased breadth of ESG related topics also includes the defence sector, which has come into vision more prominently for obvious reasons. On this basis, we will be reassessing our exclusions policy during the next reporting period, to ensure it is fit for purpose.

The UK asset management industry is struggling to regain momentum after very large moves from active to passive, the rise of ETFs and the pressure on fees from larger, consolidated buyers. We are concerned that the well-intentioned focus on costs over the last 10-20 years has reached a point where it will be harder for fund managers to provide the stewardship services that are being demanded. We welcome the shift in focus to value for money and are keen to see this play out in practice, ideally with a recognition of the complex/adaptive nature of the financial system. We also feel that the continued focus on industry consolidation is leading to longer term sustainability/systemic risks for our industry, something we have been vocal about for some time.

Similar to last year, we have structured the Report in line with our approach to stewardship as well as the interim changes to the UK Stewardship Code. As such, we are disclosing against "Context" only where material changes have taken place to previous disclosures. Additionally, we will not be reporting against "Activity" and "Outcome" for Principle 1, 2, 5 and 6, except where there are material updates. To aid understanding we will be cross-referencing to our prior year Stewardship Report which was accepted by the FRC and granted signatory status. We hope that you find this Report useful and engaging and as always, we welcome your feedback.

The Management Board

Statement from the Chair of our Responsible Investment Committee

Fulcrum Asset Management LLP ("Fulcrum") believes that the most effective way of staying ahead of the increasing client needs and regulatory obligations is through having an innovative and integrated approach to stewardship

Whilst there have not been any major changes to our team structure or approach to stewardship during the reporting period, there has undoubtedly been significant industry activity and development across multiple stewardship-related topics. Consequently, we decided to hold a conference entitled 'Back to Basics'. This event was held at County Hall, in the Sustainable Ventures office. There were some core ideas behind holding the event. We wanted to:

- Have an event that was zero cost to attend and where the cost of hosting the event was minimal
- Create an environment of idea sharing, so we held 20 quick connect sessions with specialist fund managers during the day
- Profile some of our research/innovation as well as hear from our clients and other specialists on important topics, including repatriation, equity valuations, index concentration, geopolitical risk, industry consolidation and value for money.

We felt it was important to hold this event from a stewardship perspective because the pressures faced by the asset management industry naturally lead to many of the conflicts of interest embedded in the system to start bubbling up to the surface. We have observed this on multiple levels during the reporting period, including for example issues around cost disclosure (which is a result of competitive pressure and a long history of cost minimisation). There are also pressures on the UK listed equity market, trying to re-establish its prominence. Repatriation may be a natural response to elevated US equity valuations, index concentration and geopolitical risk, but is our industry set up for this with the right people with the right skills in the right jobs?

The event was attended by c.140 managers and investors and we have written about this on our website "Back to Basics" conference recap – Fulcrum Asset Management. We feel the event was a good summary of our thinking during the reporting period at Fulcrum and included discussion around biodiversity, climate change, system sustainability, conflicts of interests across our industry and the key macroeconomic topics of the day, reflecting Fulcrum's longstanding commitment to high quality research in this area. This all links back to the Action Plan we have been implementing over recent years. Below we provide a review of progress and later, in the Direction of Travel section of this Report, we also discuss our Action Plan for next year as well as our 3–5- year goals, which highlight our commitment to improve further.

Matthew Roberts, Partner and Chair of our Responsible Investment Committee

Action from last Stewardship Report	Updates
Integrating biodiversity considerations in our investments: While we had started to incorporate biodiversity-related metrics as part of our KPI monitoring program, we look forward to allocating capital towards solutions that mitigate biodiversity loss.	This has been an important topic for the Fulcrum Alternative Solutions team. We provide a case study on this topic under Principle 7 showcasing its importance and our progress.
Engagement focusing on biodiversity loss and antimicrobial resistance: As mentioned in the report, we have joined the Spring initiative and supported IAAMR's letter to policymakers. We wish to deepen our engagement approach on these two sustainability areas.	We also continue to engage with PRI's Spring initiative on this topic as seen in our case study under Principle 10.
Scenario analysis: We have started our data search to identify appropriate data providers that are best suited for our asset classes . We have also identified our preferred scenario that we intend to use for our TCFD reporting, which we look forward to disclosing in the coming year.	We are now able to provide scenario analysis reports on a case-by-case basis. Our process for identifying and assessing climate-related risks is a combination of quantitative analysis, and ongoing monitoring. One key part of this is our assessment of the average temperature alignment of some of the funds we manage, where we assess whether a fund's temperature alignment is below 2.5°C. The lower the temperature, the better the alignment with global climate goals, indicating lower exposure to climate-related transition risks. However, this remains a challenging topic for us as a majority of our AUM is invested through derivatives where the methodology on scenario analysis is not as formalised as other asset classes.
Long-Term Asset Fund launch: As discussed in the report, we have broadened our Alternative Solutions capability to focus on illiquid assets. This will form a meaningful part of our Alternative Solutions capability and should lead to enhancements to our overall stewardship approach.	This has been a material change for the Alternative Solutions team and a key way we are able to make real world change.
Diversity, Equity and Inclusion (DEI): This reporting period has been focused on establishing our approach, engaging with industry initiatives to deepen our knowledge and collection of data. We look forward to sharing how this evolves in the coming year.	We continue to believe in the importance of DEI in the context of our industry. We share how we continue to engage and evolve our approach on DEI under Principle 2.

Thank you again for supporting our stewardship journey. We welcome your feedback on our Stewardship Report and would be happy to answer any questions that you may have.

Please contact IR@fulcrumasset.com for all queries related to our approach to stewardship.

Principle 1

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

There has been no material change during the reporting period. Please refer to our prior year report for context.

Principle 2

Signatories' governance, resources and incentives support stewardship

Please find below some key changes to Principle 2. For further context, please read in line with last year's report.

Governance and Oversight

Our investment and research teams – bringing together economists, strategists, analysts, climate specialists, and portfolio managers – work together to develop investment solutions, stay at the frontier of innovation, and contribute to the industry's knowledge. We enable the integration of sustainability across the organisation through our Responsible Investment Committee. This includes:

- Matthew Roberts, Head of Fulcrum Alternative Solutions and Chair of the Responsible Investment Committee
- Joe Davidson, Managing Partner and Chief Operating Officer
- Piotr Chmielowski, Chief Risk Officer
- Fawaz Chaudhry, Head of Equities
- Gino Cenedese, Managing Director and Sustainability Lead
- Samriddhi Sharma, Director and Sustainability Lead

Diversity, Equity & Inclusivity (DEI)

- Our representation of employees from an ethnic minority (28%) is higher than it is in the general population in the UK (15%, 2019 ONS Population Survey). This is echoed in our Management Board (20% ethnic minority). Gender is an area where we recognise there is more work to be done. Our female representation (36%) overall reduces significantly as seniority increases. Our consistently low turnover rate, whilst a positive for the business overall, means that our diversity statistics do not move that much over the relatively short time period of 1, or even 5 years, but we remain committed to increasing the gender balance over the longer term.
- Our first online module for harassment training is due to go out in September 2025 along with our Compliance training, and will be mandatory to complete. This module will go out each year for completion as a constant reminder to staff.
- We are continuing to work with our recruitment partners, with a focus on social mobility and diversity in applicant pools. We have now conducted work experience programmes for the past four years and the case study below showcases our learnings.

Activities and Outcomes

Insights from our Work Experience Week

Activity	To support our commitment to building a diverse talent pipeline in the investment and savings industry as a whole, as well as our own pipeline, we run a week of work experience each summer, partnering with an inner-city college. During the week we offer an insight into many different aspects of asset management, as well as running a career and CV workshop to equip students with the soft skills required to get a job.
Outcome	We have now successfully run 4 work experience weeks, covering more than 40 students. The feedback that we have received each year from students has got better and better as we have tweaked the programme using learning we have gained from previous years. We continue to deepen our partnership with the college as time goes on, offering more throughout the year, such as workshops at the college delivered by our staff outside of the work experience weeks. We are already in discussions with the college for next year's work experience week, and plan to expand the option to apply for the week to another one of their campus' in London.

Our involvement with the Diversity Project

Activity	We continue to be involved with the wider Diversity Project (DP) and appreciate their drive for a fair, equitable and inclusive workplace. As members of the DP Small Firms initiative, we have been better able to share ideas and opportunities among firms of a similar size, enabling us to better tackle the numerous challenges associated with this area given our resource level.
Outcome	We find the DP Small Firms initiative to be a useful repository of practical ideas, a recent example being the delivery of in-person DEI workshops on various topics. Our annual completion of the Diversity Project Goals and Progress Tool helps us to review each year where we are with our DEI initiatives, and benchmark ourselves against other firms of our size and the wider industry. As a small firm our scope to carry out DEI initiatives can be somewhat limited, but we have been pleasantly surprised with our results from the Goals and Progress Tool, which shows we are broadly doing more than other firms of our size. This is great feedback to receive and a positive message for the DEI Group with all that they are doing.

Engaging with managers on DEI through the Asset Owner Diversity Charter (AODC)

Activity	We have been sending out the AODC questionnaire to asset managers to which we allocate within our Fulcrum Alternative Solutions (FAS) products and are developing and evolving points of engagement with the responders. These range from offering help in the creation of DEI policies with smaller firms, through to specific areas of potential improvement, and learning. We seek to establish short- and medium-term objectives with each manager, which sit alongside other sustainability related points of engagement. Our goal is to help foster improvement in the way our industry is perceived by potential employees, as well as to improve recruitment and career development practices with equity of opportunity in mind.
Outcome	Our engagement plans with managers are a work in progress, indeed the AODC questionnaire is in the throes of being recalibrated. However, notwithstanding the pushback DEI and related topics are getting, particularly in the USA, DEI has become a more explicit part of our manager selection and monitoring process.

Research

Our Quantitative Strategies team's climate change researchers Gino Cenedese and Shangqi Han, along with Prof. Marcin Kacperczyk from Imperial College, have presented their research at major international conferences and seminars, including the European Finance Association meetings, University of Chicago, Imperial College Business School, The Climate and Energy Finance Conference at the University of Oklahoma, The Rising Stars Conference at Fordham University and the Virtual Seminar on Climate Economics organised by the Federal Reserve of San Francisco. We are also pleased to announce that the paper has received an honourable mention at the 2025 Working Paper Award, presented by the HKU Jockey Club Enterprise Sustainability Global Research Institute. Their paper "Carbon transition risk and Net-zero portfolios" is now under revision for publication at a leading, peer-reviewed academic journal. In this paper, they analyse net-zero portfolios (NZPs), which aim to reduce carbon footprint exposure to zero by a target date. They measure the decision and timing of divesting individual companies using a novel forward-looking measure, distance-to-exit (DTE). This calculates the distance, in years, until a company will be excluded from net-zero portfolios. They find that companies with greater DTE have higher valuation ratios and lower expected returns, consistent with the hypothesis that DTE captures institutional pressure to decarbonise and thus can be a useful tool to quantify carbon-transition risk. The research has also been summarised in industry publications, such as ESG Investor.

Principle 3

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first

There has been no material change during the reporting period. Please refer to our prior year report for context.

Activities and Outcomes

Additionally, during 2024-2025, Fulcrum confirms there were no examples of actual or perceived conflicts of interests relating to Fulcrum's stewardship or engagement activities as part of its responsible investment process.

Principle 4

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

There has been no material change during the reporting period. Please refer to our prior year report for context.

Activities and Outcomes

Systemic risk examples that were discussed at the Fulcrum Risk Committee:

1	The systemic risks noted by the Bank of England were discussed at the Fulcrum Risk Committee, in particular the liquidity issues facing private equity buyout funds, which find it difficult to exit their positions. At the time, the investments Fulcrum had made were mostly in Real Estate, and it had been observed that the real estate markets were not discovering clearing prices due to too wide bid/ask spreads. Fulcrum's limited direct exposure to private assets at the time was a mitigating factor, while going forward diversification across the various private assets was planned to mitigate the arising risk.
2	Our Risk Committee, in addition to the Investment team, monitors the direct exposures to China of the regulated funds managed by Fulcrum. Unanticipated geopolitical, tariff, or sanctions-related changes can potentially trigger a systemic risk event, to which the funds would be exposed directly.
3	The creditworthiness of counterparties for the funds managed by Fulcrum is also monitored by the Risk Committee. The credit default swap levels for all counterparties is very low by historical standards. This could reflect an easier business and regulatory environment for the banks given the approach of the US administration. However, this is perhaps not reflecting the longer-term implications for systemic risk. In order to mitigate this risk, Fulcrum is working on setting up account control agreements for its regulated funds, even though this is operationally complex and expensive.
4	US budget issues and the threat of potential default on the US Government obligations, in light of the relatively high US sovereign credit default swap level – at levels comparable to some countries traditionally considered less creditworthy – has been discussed on a number of occasions by the Risk Committee, and the allocations to the risk-free investments were adjusted to limit the liquidity risk around critical dates.
5	Fulcrum participated in an AIMA call to discuss the Organisation's reply to an ESMA paper that analysed "liquid alternative" UCITS funds. The paper implicitly implies that there is little difference between liquid alternative strategies and hedge funds classified under AIF, that alternative UCITS funds are inherently more risky, and that they may contribute to systemic risk.

Investment in US Treasury Bills and tariff concerns

Activity	In April 2025 the US administration announced a wide range of tariffs, starting with a 10% blanket rate on imports and later a 20% tariff on EU goods. Equity markets moved down substantially and there were concerns over non-US entities being subject to extraordinary withholdings on their US government securities.
Outcome	Given the concerns of taxes/tariffs for foreign holders, the Fulcrum Risk Committee agreed to limit the investment of T-bills for non-US funds. At the end of July, as the concerns around this, while still present, have diminished, the Committee agreed that the current T-bill restriction, preventing from rolling into new T-bills, be lifted.

'Back to Basics' Conference

Activity	During our 'Back to Basics' conference, we discussed several topics with senior industry figures, including industry consolidation, market concentration and the potential for asset repatriation. A number of these topics have the potential for systemic risk. We discussed the pros and cons, encouraging panel participants to be open about their views.
Outcome	Please find our detailed write up from the event here. We also provide below a template Value for Money assessment that was discussed during the conference as a range of items that are likely to be important for allocators when making investment decisions.

Scratch the **ITCH** when making an investment decision to assess Value for Money – simple but not easy!

	Do we, as a decision-making body, have...	Key Considerations
Investment education	...An excellent understanding of the opportunity ...An appreciation of the key risks	• Is appropriate external training/advice required? Can or should we work with an independent consultant or solutions provider to help us do this? • Do the overall characteristics of the investment fit with our mission and objectives? • What are the key exposures (where relevant - asset class, geography, sector, currency, position level)? • Is leverage and/or derivatives used (if so, how much and why)? • What are the key sustainability risks and opportunities?
Transparency	...A full understanding of the costs ...Full sight of what we own	• What are the management fees, performances fees and other costs, at all levels, for this opportunity? • Do we have a full understanding of the structure of the costs and can we easily communicate this to our end beneficiaries as required? • Do we know what it is we will ultimately own and are we comfortable with any reputational risk? • Will we receive high quality client service and reporting on our investment (including any regulatory requirements)?
CHoice	...A good feel for the market ...An appreciation for how the market might change	• Have we met with a reasonable range of providers to understand our options? • Does our implementation infrastructure provide us with sufficient access to the market or are we overly constrained? • Are we confident that the provider is aligned with our success and can we have an open exchange of views with them over time? • Where are we in the product/strategy cycle for this investment?

Principle 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities

There have been no material changes since our prior year report. Please refer to our prior year report for context.

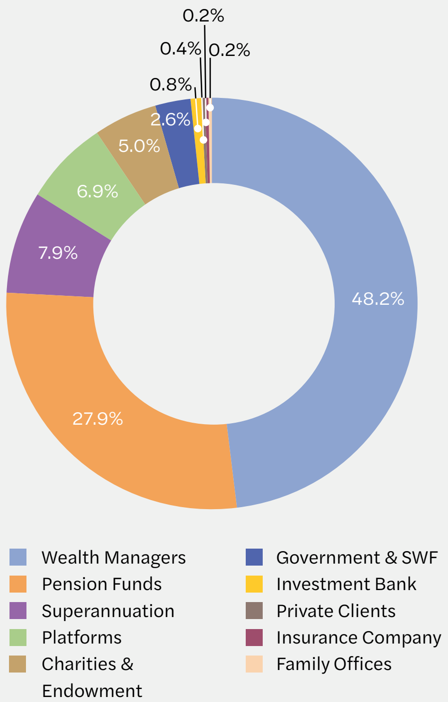
Principle 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them

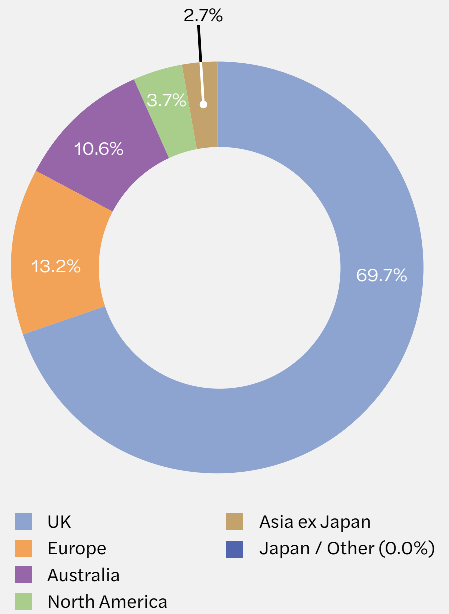
There has been no material change during the reporting period. Please refer to our prior year report for context. All of our assets under management are managed on behalf of institutional investors.

Activities and Outcomes

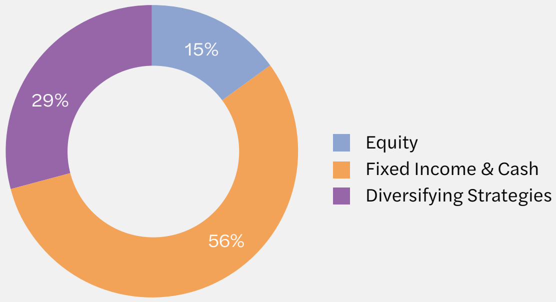
Breakdown by AUM by Investor Type, as of 30 June 2025



Breakdown of AUM by geography (client domicile), as of 30 June 2025



Breakdown of AUM by asset class, as at 30 June 2025



Principle 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities

There have been no material changes during the reporting period. For further context, please read in line with last year's report. In last year's report, we highlighted the Long-Term Asset Fund as part of our Alternative Solutions capability. Below, we have included additional details.

Alternative Solutions Strategies

- It has now been one year since the launch of our Long-Term Asset Fund.
- This illiquid strategy enables us to focus on sustainability considerations in three new ways:

1. Long-term ownership of assets: The investment horizon enables thoughtful sustainability objectives to be realised and reflected in the financial value of the asset. Additionally, greater control will provide us with the ability to drive change in a way that is more challenging in listed markets.

2. Deal level decarbonisation strategy: This allows us the opportunity for greater and more targeted engagement by placing value creation derived from sustainability considerations at the heart of the deals we invest in. We believe this will complement and strengthen our existing manager level engagement. On an asset class level, this would include aspects such as:

    a. **Real Estate:** Improving energy efficiency, building solar panels & EV charging ports on our real estate assets to improve environmental credentials while minimising social and biodiversity risks through thoughtful sourcing and value-chain considerations.
    b. **Infrastructure:** Funding projects required for a net zero future, such as wind farms, solar parks and energy storage facilities.
    c. **Natural Resources:** Active ownership and funding of natural resource projects that mitigate biodiversity loss, while providing environmental solutions to mainstream practices such as biofuels and vertical farms. In the case of timberland, this may involve upgrading the certification of the forest or conducting environmental restoration projects.
    d. **Alternative Credit:** Building sustainability ratchets, both positive and negative in private loan and direct lending practice. While still nascent, we are working with managers to explore how and when this mechanism can be most effectively employed when deploying capital.
    e. **Private Equity & Venture Capital:** Deploying capital focusing on social and environmental challenges including funding climate tech solutions to address the climate crisis.

3. Allocating to sustainability solutions: In one of our early thought pieces 'Buying is Good, Building is Better', we discuss that real-world change can be created through our investments by funding the creation or improvement of sustainable assets and companies instead of just passively owning existing ones. A key tenet to our private markets allocations is the idea that to reach net zero and meet the world's sustainability goals we collectively need to deploy fresh capital to solve these problems. We need to build new renewable power generation facilities, new battery storage sites, install new home heating systems and improve the efficiency of our buildings at a much faster rate. We look forward to actively supporting solutions that address key issues such as climate change and biodiversity loss.

Our stewardship approach and engagement themes were workshopped with our clients to ensure that the strategy aligns with their long-term sustainability goals – Climate Change, Biodiversity Loss, Anti-Microbial Resistance and DEI. For each of our deals, we create bespoke deal level engagement objectives focused on sustainability risks and opportunities. This forms part of how we assess value creation for our clients. It also allows us to focus both on positive selection of managers and deals but explore potential enhancement opportunities predicated on sustainability outcomes within those deals.

Activities and Outcomes

Allocating to Natural Capital strategies

Activity	More than 50% of global GDP is moderately or highly dependent on nature and the services it provides.[1] Our demands far exceed Nature's capacity to supply us with the goods and services we all rely on. Estimates suggest we would need 1.6 Earths to maintain the world's current living standards."[2] Wildlife populations have plummeted by roughly 69% on average since 1970.[3] Scientists warn that we have crossed safe planetary boundaries for biodiversity – six of nine critical Earth system limits (including biosphere integrity) are already transgressed.[4] This degradation is evident in worsening water scarcity, pollution, and soil erosion, which in turn threaten food security and public health. Crucially, biodiversity loss and climate change are interlinked crises: intact ecosystems serve as carbon sinks and natural buffers (mangroves, forests and wetlands store carbon and shield communities from floods and droughts), while climate instability accelerates species and habitat loss.[5] In short, protecting biodiversity is not only critical for climate mitigation and adaptation, but also for long-term economic and balance sheet resilience – as natural capital underpins productivity, stability, and future growth. This is why we invested in a Biodiversity Equity Strategy, specifically investing in companies whose products and services are dependent on the resiliency of biodiversity, and small innovative, pureplay companies needed to help preserve and restore biodiversity. The strategy spans four key themes – sustainable materials, aquatic ecosystems, terrestrial ecosystems, and waste management – providing broad exposure to solutions that enable humanity to meet its needs with minimal harm to nature.
Outcome	Supporting these solutions not only helps incumbent industries reduce their biodiversity impact but also creates long-term growth opportunities. Indeed, pressure from regulators, consumers, and governments is driving demand for tools that mitigate biodiversity loss, meaning companies with effective solutions stand to benefit from a durable, global tailwind. In essence, we chose the fund to go beyond engagement alone – directing capital to a diverse set of interventions (from waste and water management to sustainable farming and materials). Our investment in a biodiversity-focused equity fund is an important step, but much more needs to be done to address the full scope of the nature crisis. Multi-asset action is required. Beyond public equities, we are also integrating biodiversity into other asset classes. For example, through our LTAF allocation, we are investing in real assets such as sustainable forestry. At the same time, we continue to engage with companies in our broader equity portfolio – encouraging high-impact "incumbents" to reduce deforestation, manage water use, curb pollution and align their business models with emerging global biodiversity goals (like the Kunming–Montreal Global Biodiversity Framework's target to protect 30% of land and sea by 2030). Active ownership is key. Through collaborative engagement initiatives we amplify our impact. Notably, we are a participant in the PRI's Spring program, a global investor stewardship initiative focused on halting and reversing biodiversity loss by 2030. By working with fellow investors in Spring, we are both upskilling our team on nature-related risks/opportunities and pressing companies to adopt more sustainable practices.

1 The World Economic Forum, September 2022
2 The Economics of Biodiversity: The Dasgupta Review, August 2021
3 World Economic Forum, October 2022
4 Stockholm Resilience Centre, Stockholm University, September 2023
5 Counting the Cost of Biodiversity Loss, T.Rowe Price, September 2023

Determining biodiversity-related risks and opportunities

Activity	As part of our LTAF offering, for every deal that forms part of the portfolio, we work with the manager on sustainability risks and opportunities. We create sustainability-related value-add objectives for each deal.
Outcome	Through our deal level engagement plans, we aim to create additional value-add through tangible sustainability-related considerations and activities. These goals are bespoke to the deal in question but include topics such as supply chain and sustainable sourcing, determining conservation areas in our timber deals, managing our forests in line with the FSC guidelines and re-introduction of native flora and fauna.

Applying Fulcrum's Decarbonisation Enablers Strategy to support global net zero solutions

Activity	In Q2 2025, Fulcrum Asset Management was selected to provide our decarbonisation strategy to a recently established impact investment research and consulting firm based in Australia. Our Decarbonisation Enablers Strategy is dedicated to investing in companies that deliver solutions to reduce global carbon emissions and accelerate the transition to a sustainable future. Recognising the urgent need for climate action, the strategy targets innovative businesses across multiple sectors that make a measurable impact on lowering the world's carbon footprint. We utilise Project Drawdown, a framework that identifies and assesses the most substantive existing solutions to climate change. The strategy selects between companies that generate a major share of their revenues from the provision of clean technologies, such as renewable energy production, energy efficient technologies, carbon capture/utilisation/storage, sustainable transportation, waste recycling and circular economy, to name a few, each solution playing a critical role in advancing the global transition to net zero. In addition to alignment with our decarbonisation objectives, we select companies that demonstrate strong growth potential and robust financial fundamentals. The strategy typically invests in 80–100 companies worldwide that we identify as true decarbonisation enablers. *Project Drawdown is a resource that assesses the emissions avoided by different technologies and compiles a list of the most substantive, technologically viable solutions to global warming, developed with input from more than 200 scholars, scientists, policymakers, business leaders, and activists.*
Outcome	As this is a recent project, we do not have outcomes to share for this year's Stewardship Report.

Principle 8

Signatories monitor and hold to account managers and/or service providers

There has been no material change to context since our prior year report. We request that you refer to our prior year report for context.

Activities and Outcomes

Annual review of data provider landscape

Activity	Our approach is to combine third-party data with our own proprietary analysis, with the combination depending on the capability under consideration. As climate change has been the biggest thematic focus of our stewardship efforts, we have relied most heavily on 'E'-related data, drawing on multiple data providers to give us a more rounded view of companies' policies and progress. To ensure we are getting the best data from our data providers and in the market, we carry out an annual review of our data providers to ensure that they continue to be fit for purpose. We have had multiple one-to-one sessions to understand the climate methodologies of providers of carbon and sustainability data; and we have also participated in collaborative initiatives to improve the quality of data.
Outcome	We continue to work with the data providers below:

Data provider	Purpose
Sustainalytics	ESG Country Risk data (used in certain systematic strategies), activity involvement (used for firm-wide exclusions), carbon data (used for reporting), principal adverse impact (for reporting, and the basis of our proprietary PAI score). Data on fossil fuel holdings (primarily thermal coal mining and oil sands expansion), used to support Fulcrum's net zero commitments and restrict exposure to misaligned activities in relevant funds.
MSCI	Activity involvement (currently relating to tobacco, controversial weapons and predatory lending, used for firm-wide exclusions). Temperature alignment.
S&P Global Trucost	Temperature alignment.
SBTi	Corporate climate targets.
CDP	Carbon data, corporate climate targets and policies.
InfluenceMap	Data on companies' lobbying efforts on climate change to support stewardship.
Bloomberg	Data on the sustainability profile of executive pay structures and company activities, to support stewardship. Temperature alignment.
ESG for Investors	Publicly available data on potential share price upside from improving corporate sustainability used to support engagement.

AI Data Provider Research

Activity	As part of our annual stewardship and data provider review, we focused on evaluating a range of AI-driven data providers. We believe there is an interesting use case for AI in the ESG data space and are curious to understand how incumbents and new entrants are using AI to provide clients with better solutions. The objective was twofold: 1. Landscape Analysis – To understand the breadth of providers available in the market, including both established incumbents and emerging specialists. 2. Value Assessment – To explore whether newer entrants could offer improved outcomes in terms of cost efficiency, data quality, and reporting capabilities that could ultimately enhance client service delivery. Through structured meetings and comparative analysis, we assessed each provider against our core requirements, including coverage, reliability, ease of integration, and potential to enhance reporting insights for clients.
Outcome	Our review confirmed that incumbent providers remain best suited to our current data needs, particularly as they continue to integrate AI features directly into their platforms. Their scale, proven reliability, and existing integrations continue to align with our stewardship priorities. However, the exercise also surfaced a handful of innovative providers offering differentiated approaches that could complement or eventually challenge the incumbents. These firms show promise in specialised data quality enhancements and advanced AI-driven analytics. While they are not immediately replacing existing relationships, we will continue monitoring and engaging with these challengers as their solutions mature.

Principle 9

Signatories engage with issuers to maintain or enhance the value of assets

There has been no material change during the reporting period. However, we reiterate our engagement approach for our discretionary strategy, so we can provide progress. We felt that without the context, the progress reporting was not user-friendly.

Given the nature and shape of our business, our culture and purpose, we have a multifaceted approach to engagement across all stakeholders including underlying companies, service providers and external managers. As a firm, we have decided to prioritise and focus on climate change as a significant environmental risk as part of our portfolio management and engagement with stakeholders. However, we are now looking holistically at how climate change risks affect broader environmental and social risks and are therefore striving to embed these in our engagement. These efforts are complemented by our voting policy which aims to hold companies accountable across broader sustainability topics.

We believe that proactive and considered engagement is one of the best ways we can have an impact. It is important to note that our engagement varies by capability (given the nature of the underlying investments – i.e. physical vs. derivative investments) and currently the majority of our engagement work occurs in our equity strategies and Alternative Solutions investment capabilities in line with our physically held assets.

We engage both individually with underlying companies and managers (as seen in this section) and collectively through industry initiatives (as seen under Principle 10). On the equity side, this request primarily consists of calling on companies to set Science-Based Targets or other sustainability-related requests. On the alternatives side, engagement focuses on requests laid out in our bespoke engagement plans.

Discretionary Strategies

Our equity investment approach is thematic by its nature and consequently, we own large numbers of stocks in very diversified portfolios. However, the nature of climate change as an undiversifiable macro risk – coupled with our awareness of the potential for capturing 'transition alpha' as climate factors get priced by the market – has led us to focus our initial engagements in this area.

In 2024 we enhanced our engagement approach to focus on ten names (as seen in the table below). Our ten-name engagement strategy is a long-only European equity strategy which invests in companies that can play an important role in the transition to a low carbon economy but may not always be leading in their sustainability approach (for example, in adopting science-based decarbonisation targets relative to their peers). The names on the engagement list below have been selected for inclusion into a concentrated equity strategy, reflecting our belief that there is potential share price upside from improvements in sustainability.

Moreover, our clients have also expressed their interest in novel areas like biodiversity and antimicrobial resistance, topics that, unaddressed, can have long-term implications for the entire market. Given that this aligns with our beliefs and our focus on long-term constructive outcomes, we have identified a handful of companies to engage with in these areas and have decided to update our ten-name engagement strategy to reflect our enhanced focus beyond climate change.

We seek to improve sustainability credentials of investee companies through engagement (direct and/or collaborative). Given the size of our assets under management, we believe that we are more likely to see positive outcomes through collaborative engagement by lending our voice and research to existing initiatives, such as Climate Action 100+ and Spring Initiative.

It is important to note the challenges in attributing outcomes due to our engagement especially in listed equities. There are a large range of macroeconomic and firm level reasons that may contribute to a change in a company's sustainability strategy.

Name	Initiative Alignment	Engagement Theme	Main Area(s) of Engagement	Key sustainability-related developments since 2024
ArcelorMittal	CA100+	Climate	• Transition alpha from green steelmaking • Strengthening emissions targets • Climate lobbying and Just Transition	• Reported 46% reduction in Scope 1 + 2 emissions since 2018, but has warned of policy and economic headwinds for decarbonisation. • Increased investments in cleaner, electric arc furnaces (including the construction of a new facility in Spain) and renewable energy, whilst shelving hydrogen projects.
E. ON	CA100+	Climate	• Execution of Science-Based Targets • Fossil fuel phase-out	• Reported 61% reduction in emissions intensity between 2019-2024, as the company has exited large-scale conventional fossil fuel power generation.
Yara International	FAIRR[6]	Antimicrobial Resistance (AMR)	• Tackling disposal of waste, including manure and urine • Assessing risk and likelihood of AMR from their fertilisers, including organic-based fertilisers	• Inaugurated a renewable hydrogen plant in Norway. • Began production of renewable-based ammonia in Brazil, and announced contracts for the sourcing of low-carbon ammonia.
Rio Tinto	CA100+	Climate	• Transition alpha from key commodities • Strengthening emissions targets, including Scope 3	• Published updated Climate Action Plan. • Capital expenditures to halve emissions by 2030 (vs 2018) are now estimated to be lower than previously expected ($5-6bn vs $7.5bn), whilst higher operational expenditures are likely higher.
BHP Group	CA100+	Climate	• Transition alpha from green steelmaking and copper • Strengthening emissions targets • Outlook for metallurgical coal and low-grade iron ore	• Began proof-of-concept trials of battery electric equipment. • Reported $61 million of capital and operating expenditure relating to decarbonisation for FY2024.
Safestore Holdings		Climate	• Execution and strengthening of emissions targets (embodied carbon, verification of targets under the Science-Based Targets Initiative) • Opportunities from energy efficiency	• Reported progress on transition plan, including the removal of gas appliances in the UK, ensuring all new openings meet or exceed a 'B' energy performance standard. • Company renewed zero-carbon electricity supply arrangement in France.
Big Yellow		Climate	• Delivery against Science-Based Targets and reducing embodied carbon • Opportunities from energy efficiency	• Reported continued progress towards 2032 Science-Based Targets through the deployment of renewable energy, batteries, energy efficiency measures and the phase-out of gas. • Ongoing solar retrofit programme, with 78 stores now fitted, resulting in an annual saving of c. £1million in 2025.
Neste	Spring	Biodiversity	• Deforestation and transparency (Engagement priorities determined under collaborative engagement initiative PRI Spring)	• Announced €770m allocation to eligible assets under the green finance framework for FY 2024, including towards a Rotterdam project that is set to become the world's largest refinery of renewable fuels. • Announced deal to supply over 7000 tons of sustainable aviation fuel (SAF) to DHL Express at Singapore Airport, marking one of the largest SAF deals by volume in the Asian air cargo sector.
Norsk Hydro	Spring	Biodiversity	• Deforestation, targets and political engagement (Engagement priorities determined under collaborative engagement initiative PRI Spring)	• Reported progress on track for a 30% reduction in operational emissions by 2030, including fuel switching and the installation of electric boilers at Alunorte, the world's largest alumina refinery outside of China. • Flagged potential competitiveness concerns linked to loopholes in proposed EU Carbon Border Adjustment Mechanisms.
Veolia		Climate	• Transition alpha from decarbonisation and circular economy • Execution of emissions targets • Biodiversity loss	• Company planning to exit coal in Europe by 2030, planning €1.6bn of investments to decarbonise power plants. • Reported 44% of revenues in 2024 are aligned with the EU Taxonomy for sustainable activities (vs 40% in 2023). • Achieved revalidation of its emissions targets with the SBTi.

6 Yara has announced their withdrawal from the FAIRR initiative, as part of a change in its corporate policy with regard to sustainability-related engagements and collective initiatives. We will seek to explore other avenues to engage with the company, such as its regular sustainability webinars for analysts.

Activities and Outcomes

Engagement with ArcelorMittal on climate transition plan

Activity	Steelmaking is both a large contributor to global greenhouse gas emissions, as well as an essential enabler of the low-carbon transition (for example, in the towers of wind turbines or the contributing frameworks of solar photovoltaics). We have continued our multi-year engagement with ArcelorMittal, one of the world's largest steelmakers – Fulcrum became a supporting investor of the CA100+ collective engagement group, whilst also continuing bilateral engagements, writing to the company in September 2024, followed by several calls with the company during 2024-25.
Outcome	The Company noted increased consumer interest in its low-carbon steel ("xCarb") – with sales doubling since 2023 (albeit from a small volume as percent of total production), provided updates on its progress on electrification (converting more polluting blast furnaces to the electric arc method, as well as launching new electric arc facilities e.g. in Spain) and on the procurement of green electricity (including a 1GW solar and wind project in India, and joint ventures in Brazil and Argentina). We discussed ArcelorMittal's planned scale-back of low-carbon investments in hydrogen (attributed to a lack of commercial viability and insufficient policy support and available market infrastructure, despite substantive subsidies available). We reaffirmed our interest in the Company pursuing opportunities for organic decarbonisation (beyond divestment of polluting assets) and will continue to engage on the issue after the publication of its third Climate Action Report.

Engagement with E.ON on their climate transition plan

Activity	Operating the largest energy distribution grid in Europe, E.ON sits at the heart of the energy transition. Fulcrum joined the CA100+ investor group working with E.ON, and will also continue to engage bilaterally with the company.
Outcome	The company has set ambitious targets for reaching carbon neutrality in its operations by 2040. Having exited large-scale conventional power generation in 2016, the company has seen a steady decline in its operational emissions, with its carbon intensity falling by 61% between 2019-2024.[7] As a result, the path forward for the decarbonisation of the company is driven primarily by the amount of 'green' power E.ON manages to procure and sell. Our collective and individual engagement with the company discussed the company's evolving strategy (focused on energy networks, energy infrastructure solutions and retail), the levers available to help customers and suppliers decarbonise and the evolving approach of policy-makers to EU energy security.

7 Scope 1+2 emissions per adjusted EBITDA, source: https://www.eon.com/content/dam/eon/eon-com/eon-com-assets/documents/sustainability/en/climate-related-disclosures/EON_2025_On_course_for_net_zero.pdf

Engagement with our managers on their sustainability-related culture

Activity	In the current landscape of shifting policies and heightened scrutiny, we have proactively engaged with all managers in our underlying portfolio to assess their sustainability and DEI cultures. This engagement stems from our commitment to integrity and alignment of values, as we firmly believe that integrating sustainability-related risks and opportunities enhances our investment process. Our discussions revealed that, while none of our managers have altered their approaches or commitments to sustainability, there is a noticeable trend of 'greenhushing' – the deliberate downplaying or withholding of information about environmental initiatives due to fear of litigation and reputational risks.
Outcome	Despite the challenging rhetoric, the tangible impacts of issues like climate change remain highly material, particularly within real assets. Notably, climate-related venture flows have demonstrated resilience amidst broader market downturns. While we are entering challenging financial markets where countries are prioritising defence and protectionism, we continue to believe that climate resilience and energy independence through renewables is critical. Moreover, addressing risks such as biodiversity loss and anti-microbial resistance are important to mitigate potentially catastrophic outcomes. We continue to reiterate this to our managers as well as participate in collaborative initiatives.

Engagement with our managers' WACI methodology

Activity	We look beyond the WACI figure provided to us by our managers and question their methodology. This was especially true in cases where there are shifts compared to the previous year or if we spot anomalies.
Outcome	This exercise increased our discipline in questioning the data given to us by our managers. Interestingly it has also created a bridge between questioning the security selection of a fund through both an investment and sustainability lens. E.g.: why a certain security was selected even though it increased the portfolio's WACI and if there is an engagement plan in place to address this issue.

Principle 10

Signatories, where necessary, participate in collaborative engagement to influence issuers

There has been no material change to context since our prior year report. We request that you refer to our prior year report for context.

Activities and Outcomes

As mentioned in Principle 9, last year we introduced PRI Spring Initiatives as one of the industry initiatives we joined as a collaborating investor to create meaningful engagements on the biodiversity side. This year, we are pleased to provide case studies on the two focus companies we have multi-year engagements with through PRI Spring- Neste and Norsk Hydro.

Engagement with Neste on biodiversity loss

Activity	Our engagement has been guided by the PRI Spring Initiative and focused on deforestation and forest-risk commodities, including biofuels. With strong historical roots in oil refining, Neste has repositioned itself as a provider of renewable fuels and chemicals. A planned expansion is set to make its Rotterdam refinery the world's largest facility producing renewable diesel and 'sustainable aviation fuel' (SAF) by 2027/8.[8] The discussions through the Spring Initiative covered multiple aspects of the company's approach to sustainability, from supply chain to lobbying, with particular focus on feedstocks, the use of palm oil and palm oil derivatives (such as palm fatty acid distillate (PFAD)). The investor group welcomed Neste's reaffirmed commitment to phasing out palm oil in biofuels, given the associated risks of deforestation, and discussed some of the potential unintended consequences relating to product substitution (e.g. if demand for a limited feedstock such as PFAD leads to overall increased market demand for palm oil[9]). We also discussed the company's approach to minimise potential conflicts with food production and its efforts to increase the transparency in its supply chain.
Outcome	We find it very challenging to attribute an outcome by a company to our engagement as there are many overlapping reasons that may lead a company to change their strategy e.g.: multiple engagements by other managers, policy reasons, etc. However, the company announced a €770m allocation to eligible assets under the green finance framework for FY 2024, including towards a Rotterdam project that is set to become the world's largest refinery of renewable fuels. It also announced a deal to supply over 7000 tons of sustainable aviation fuel (SAF) to DHL Express at Singapore Airport, marking one of the largest SAF deals by volume in the Asian air cargo sector.

8 www.neste.com/news/nestes-interim-report-for-january-march-2025
9 https://dv719tqmsuwvb.cloudfront.net/documents/RFN_NesteBiofuelsEnvironmentalRisk.pdf

Engagement with Norsk Hydro on biodiversity loss

Activity	Our engagement has been guided by the PRI Spring Initiative and focused on deforestation and forest-risk commodities. For Norsk Hydro, we worked alongside InfluenceMap to better understand their advocacy and policy level influence. Alongside other investors, we joined the Norsk Hydro company engagement group, where we engaged alongside the Rainforest Foundation Norway to present research findings from their site visits to Hydro's aluminium plant in Brazil and their engagement with local communities and NGOs. This is an on-going engagement.
Outcome	We find it very challenging to attribute an outcome by a company to our engagement, as there are many overlapping reasons that may lead a company to change their strategy e.g.: multiple engagements by other managers, policy reasons, etc. However, the company has reported continued progress towards its 2032 Science Based Targets through the deployment of renewable energy, batteries, energy efficiency measures and the phase-out of gas. It has also reported an ongoing solar retrofit programme, with 78 stores now fitted, resulting in an annual saving of c. £1million in 2025.

Early July 2024, as a signatory of PRI, we took part in a joint industry statement for the new UK Prime Minister, Keir Starmer, from the CEOs of PRI, UKSIF and IIGCC, in which the three organisations urge the new PM to create a supportive policy environment in order to fully seize the economic, social, and environmental opportunities presented by the transition to net zero by 2050.

Industry collaborations we supported during the reporting period include:

Activity	Outcome
Net Zero Asset Manager Initiative	• We are signatory to the Net Zero Asset Managers Initiative (currently paused) and committed to support the goal of net zero greenhouse gas ('GHG') emissions by 2050.
CDP	• We are a supporter of their collective engagement campaigns (on emissions disclosure and targets).
The Institutional Investor Group of Climate Change (IIGCC)	• We joined the Asset Owner Stewardship working group in 2024. We look forward to sharing outcomes from the group next year. • We are part of the Renewable Energy Working Group of the IIGCC. The group is involved in defining renewable energy climate solutions.
Science Based Target Initiative	• We are a supporter of the initiative. • We call on companies to set SBTs, both directly through our engagements and voting (sanctioning certain priority companies if they do not have set SBTs). We also engage on target setting using SBT collectively through initiatives like CDP.

Activity	Outcome
Climate Action 100+	• We signed up as supporters of Climate Action 100+ to aid our engagement efforts and show our support of its work on decarbonisation. • We have joined as a contributing investor member for the E.ON and Arcelor Mittal's engagement working group.
FAIRR Initiative	• We became FAIRR's new member with an aim to engage with Yara International and joined the new members introduction call hosted by FAIRR. Yara was part of FAIRR's focus on biodiversity, waste, and pollution, with an emphasis on addressing nutrient pollution caused by the mismanagement of manure and exploring potential circularity solutions. However, the company has withdrawn from sustainability-related engagement calls, and will now only offer bi-annual ESG updates.
PRI Spring Initiative	• We have joined as a collaborating investor and will be engaging with two focus companies: Neste and Norsk Hydro, alongside other investors.
Pensions for Purpose (P4P)	• We are members of Pensions for Purpose (P4P).
Diversity Project	• We joined the Diversity Project in 2022. • The Chair of our DEI Forum and Head of Investor Relations are all active participants of key committees as part of this membership.
Asset Owner Diversity Charter	• As an asset owner within our Alternative Solutions team, we have also signed up to the Asset Owners Diversity Charter, to help drive forward the integration and improvement of DEI-related policies across the asset management industry.

Principle 11

Signatories, where necessary, escalate stewardship activities to influence issuers

There has been no material change during the reporting period. Please refer to our prior year report for context.

Activities and Outcomes

Escalation due to a lack of responsiveness from Engagement Portfolio entity – Big Yellow

Activity	A number of companies did not initially respond to our engagement requests in autumn 2024. We re-attempted to establish contact, flagging the publication of our upcoming Stewardship Report would represent an occasion for escalation via public statements. We re-established dialogue with a number of companies, and were pleased to see the substantial progress made by Big Yellow against their science-based targets, including the launch of the first net-zero warehouse in the UK, designed to produce more energy than it consumes (via the installation of a large solar PV facility), and achieving an EPC energy efficiency rating of A+. The company is steadily rolling out solar and battery facilities across its warehouses, introducing heating and lighting controls, having already replaced most of its gas boilers with heat pumps. Having made substantial progress in reducing operational emissions, we welcomed the company's approach to tackling the much more difficult challenge of value-chain emissions (e.g. embodied carbon), with six carbon lifecycle assessments expected to be finalised by the end of 2025, which are intended to identify sources of further potential reductions.
Outcome	In 2025, we opposed the re-election of one director at portfolio company Safestore due to insufficient disclosure. With the company unresponsive to our engagement attempts, we will be reviewing its ongoing inclusion into our portfolio.

Principle 12

Signatories actively exercise their rights and responsibilities

There has been no material change to context since our prior year report. We request that you refer to our prior year report for context.

Activities and Outcomes

Aligning our engagement strategy to our voting policy

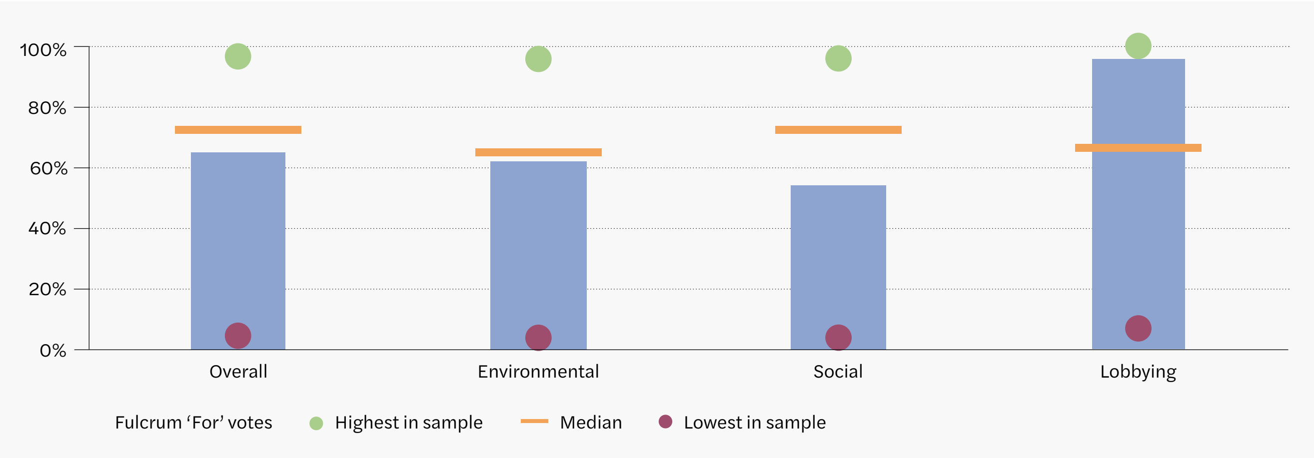
Activity	Our engagement stance is echoed by our voting policy. Similar to last year, we are now voting against companies that: • Have no targets to reduce their emissions and/or do not disclose information in line with recognised disclosure frameworks. This is a minimum expectation – for certain high-profile companies, our expectations are higher, with our policy sanctioning the chair of the sustainability committee or the board if the company has not set ambitious, science-based targets • Are not signatories or participants in the United Nations Global Compact ("UNGC") or have not adopted a human rights policy that is aligned with the standards set forth by the International Labour Organisation ("ILO") or the Universal Declaration on Human Rights ("UDHR") • Do not have environmental or social metrics as part of directors' pay indicators
Outcome	From the 1st of July 2024 to the end of June 2025, we have cast: • Over 6,842 votes against companies due to environmental or social reasons, such as the lack of disclosure, targets, or diversity • c. 24,880 votes against directors for environmental reasons • Over 218 votes against pay packages due to concerns around the management of material environmental and social risks

The table below summarises our voting activity as a firm for the 12 months ending on 30th June 2025:[10]

Voting statistics:	
Meetings eligible to vote at	808
Resolutions eligible to vote on	73,344
% of resolutions voted	99.5%
% voted WITH mgmt.	84%
% voted AGAINST mgmt.	15%
% ABSTAINED	0.63%
% of meetings where we voted at least once against mgmt.	54%
% of votes against Policy	0.14%

We are pleased to share our 2024 voting highlights presented by ShareAction:[11]

This chart depicts the percentage of Fulcrum's votes 'for' the resolution sample, alongside the highest and lowest score recorded among the sample of 26 CRIN and RINU asset managers.[12]



ShareAction also found that we voted more ambitiously than Glass Lewis (our proxy advisor). Of 132 resolutions for which a Glass Lewis recommendation was available, Glass Lewis recommended a vote 'For' 50 times, while Fulcrum voted 'For' 86 times.

Click here to be taken to our detailed voting data.

We would also be happy to provide you with our PLSA templates on request.

10 Source: Fulcrum and Glass Lewis
11 Data sources: ShareAction
12 This represents Fulcrum's firmwide votes

Royal Bank Of Canada	Date of vote: **11/04/2024**
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	**<1%**
Summary of the resolution **Shareholder Proposal Regarding Say on Climate**	
How you voted	**FOR**
Where you voted against management, did you communicate your intent to the company ahead of the vote?	**NA**
Rationale for the voting decision **Glass Lewis recommended that we vote AGAINST the proposal as the terms of this proposal violate the basic premise of corporate governance. They view that the proposal essentially allows the board to delegate its oversight responsibilities for the setting of corporate strategy to shareholders by allowing them to effectively dictate this strategy through an up/down vote.** **However, we voted FOR the proposal as we were concerned about a recent report that suggests that none of the major Canadian banks have short- or medium-term plans to withdraw from the fossil fuel sector and that their initiatives are not ambitious enough.**	
Outcome of the vote	**AGAINST**
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome? **We would likely have voted in a similar way if we were to vote again on this resolution.**	
On which criteria have you assessed this vote to be "most significant"? **This was a vote relating to an environmental and/or social issue**	

Toronto Dominion Bank	Date of vote: **13/04/2024**
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	**<1%**
Summary of the resolution **Shareholder Proposal Regarding Say on Climate**	
How you voted	**FOR**
Where you voted against management, did you communicate your intent to the company ahead of the vote?	**NA**
Rationale for the voting decision **Glass Lewis recommended that we vote AGAINST the proposal as the terms of this proposal violate the basic premise of corporate governance. They view that the proposal essentially allows the board to delegate its oversight responsibilities for the setting of corporate strategy to shareholders by allowing them to effectively dictate this strategy through an up/down vote.** **However, we were concerned about a recent report that suggests that none of the major Canadian banks have short- or medium-term plans to withdraw from the fossil fuel sector and that their initiatives are not ambitious enough. Therefore we voted FOR the resolution.**	
Outcome of the vote	**AGAINST**
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome? **We would likely have voted in a similar way if we were to vote again on this resolution.**	
On which criteria have you assessed this vote to be "most significant"? **This was a vote relating to an environmental and/or social issue.**	

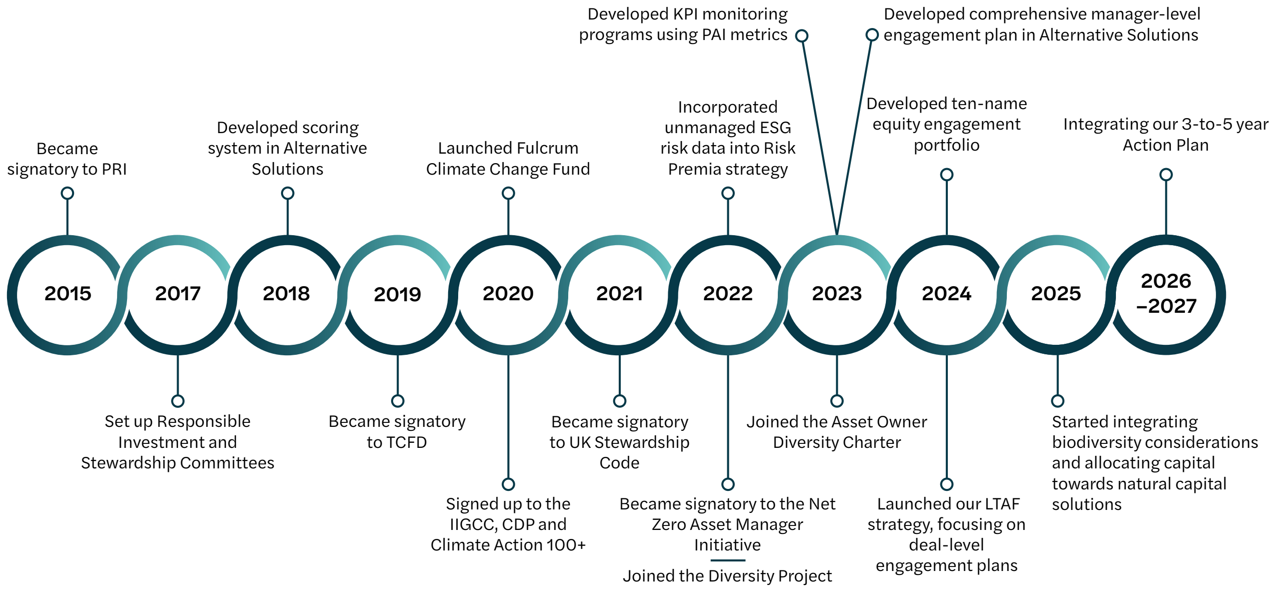
Mitsubishi UFJ Financial Group, Inc.	Date of vote: **21/06/2024**
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	**<1%**
Summary of the resolution **Shareholder Proposal Regarding Customers' Climate Change Transition Plans**	
How you voted	**FOR**
Where you voted against management, did you communicate your intent to the company ahead of the vote?	**NA**
Rationale for the voting decision **Glass Lewis recommended that we vote AGAINST the proposal as the company's existing reporting sufficiently addresses the issues raised by the proponent and it is not convincing that the level of detail apparently expected by the proponent would meaningfully add to shareholders' understanding of how the company is approaching this matter – goals, actions and impacts of its climate transition planning.** **While the Company claims to assess the transition status of clients in high-emitting sectors by confirming 1.5°C aligned interim targets, governance, and emissions performance, it continues to provide significant financial support to fossil fuel clients that do not have transition plans credibly aligned with the Paris Agreement's 1.5°C target.** **We agree with the proponents that the disclosures requested in this proposal are required to ensure the Company adequately enacts its stated risk control measures and aligns with its commitment to reduce finance portfolio emissions to net zero by 2050. These disclosures are in line with shareholder expectations and will help maintain and enhance the Company's long-term corporate value. Therefore, we voted FOR the proposal.**	
Outcome of the vote	**AGAINST**
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome? **We would likely have voted in a similar way if we were to vote again on this resolution.**	
On which criteria have you assessed this vote to be "most significant"? **This was a vote relating to an environmental and/or social issue.**	

JPMorgan Chase & Co.	Date of vote: **17/05/2024**
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	**<1%**
Summary of the resolution **Shareholder Proposal Regarding Report on Human Rights Standards for Indigenous Peoples**	
How you voted	**FOR**
Where you voted against management, did you communicate your intent to the company ahead of the vote?	**NA**
Rationale for the voting decision **The proposal requests that the Company provide a report on how its policies and practices respect internationally recognised human rights standards for Indigenous People.** **Glass Lewis recognise that the financing of certain activities and projects can expose the Company to significant reputational and direct risks related to its human rights considerations and its policies concerning Indigenous peoples. However, Glass Lewis believes that the Company has taken several important steps to mitigate said risk and also the Company provides information on its due diligence processes for identifying its impact on Indigenous Peoples. Therefore, they recommended that we vote AGAINST the resolution.** **However, we support the proponent that the Company has a history of financing projects and companies that violate Indigenous rights. Although the Company adheres to the Equator principles to manage environmental and social risk, Indigenous experts have described them as ''critically weak'' and not aligned with international human rights standards and effective policies that protect indigenous rights are critical to managing material risk.** **We therefore, voted FOR the proposal.**	
Outcome of the vote	**AGAINST**
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome? **We would likely have voted in a similar way if we were to vote again on this resolution.**	
On which criteria have you assessed this vote to be "most significant"? **This was a vote relating to an environmental and/or social issue.**	

Amazon.com Inc.	Date of vote: **18/05/2024**
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	**<1%**
Summary of the resolution **Shareholder Proposal Regarding Report on Plastic Packaging**	
How you voted	**FOR**
Where you voted against management, did you communicate your intent to the company ahead of the vote?	**NA**
Rationale for the voting decision **The proposal requests that the Board issue a report, at reasonable expense and excluding proprietary information, describing how the Company could reduce its plastics footprint by committing to make all packaging curbside recyclable, reusable, or compostable. The report should also describe setting goals for overall plastic packaging reduction in alignment with the findings of the Pew Report, or other authoritative sources, to significantly reduce ocean plastic pollution.** **Glass Lewis believes that the Company has taken significant actions and provided substantial disclosure concerning minimizing its plastic footprint, its improvements to the sustainability of its packaging, and its recycling initiatives. Therefore, they recommended that we vote AGAINST the resolution.** **We believe the proponent that without immediate and sustained new commitments to make packaging recyclable, reusable, or compostable and to reduce overall plastic use annual flows of plastics into oceans could nearly triple by 2040. The Pew Report also concludes that plastic demand should be reduced by at least one-third to cut ocean plastic pollution by 80% by 2040 and that reducing plastic production is the most attractive solution from environmental, economic, and social perspectives. The Company has disclosed how much plastic it uses to ship orders but does not disclose how much plastic packaging it uses overall. The competitors have adopted goals to make plastic packaging recyclable, reusable, or compostable by 2025, while the Company has not. Therefore, we voted FOR the proposal.**	
Outcome of the vote	**AGAINST**
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome? **We would likely have voted in a similar way if we were to vote again on this resolution.**	
On which criteria have you assessed this vote to be "most significant"? **This wasa a vote relating to an environmental and/or social issue.**	

The Direction of Travel

Timeline of key Fulcrum sustainability milestones



We see the pursuit of stewardship, in its broadest sense, as an ongoing journey. We are proud of the steps taken so far and are mindful of the road still ahead. In terms of our 3-to-5-year Action Plan, we commit to making progress on the following topics:

- Pursing our engagement strategy across our funds (our engagement portfolio and our engagement approach within the Alternative Solutions Capability), in an endeavour to generate real world outcomes.
- Understanding the biodiversity risks embedded in our investments alongside opportunities in this area. This includes broadening our natural capital knowledge.
- Implementing a comprehensive KPI monitoring programme within our Responsible Investment Committee.
- Working with external managers and wider industry on improving Diversity, Equity & Inclusion (DEI).

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