MARATHON

Thoughtful,
patient investing.

Report on Marathon's Compliance with the UK Stewardship Code

For the year 2024

Contents

Introduction

This report provides information about Marathon Asset Management Limited's ("Marathon") [1] approach to Stewardship and how we address the Principles embedded within the UK Stewardship Code.

The Code defines stewardship as follows:

Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Good company stewardship involves actively monitoring investee companies including, among other things, engagement with senior management to discuss strategy, performance, governance and risk. These attributes form an intrinsic part of Marathon's investment process, which seeks to identify companies that can deliver shareholder value through effective and sustainable use of cash flow over the longer term.

Marathon's investment process focuses on industry characteristics alongside in-depth research regarding the company management's motivation, incentivisation and skill at responding to the forces of the capital cycle.

This document reflects Marathon's approach to governance and stewardship as part of our fiduciary duty to preserve and enhance long-term shareholder value, overlaid against how Marathon has applied the Principles of the UK Stewardship Code ("the Code"). Marathon has also sought to define and explain current business practices surrounding engagement, collaboration and escalation and, separately, how the firm has responded to market-wide systemic risks alongside work to improve the functioning of markets generally.

The Code was developed to focus on how firms allocate, manage and oversee capital to create long-term value; leading to sustainable benefits for the economy, the environment and society. To this end, Marathon seeks to comply with the standards, implementing the Code and its twelve Principles in a manner that is aligned with our business model and long-term investment strategy.

In applying the Principles, Marathon has considered the following for the period of 1st January to 31st December 2024, among other issues:

- the effective application of the UK Corporate Governance Code and other governance codes;
- the effective implementation of other stewardship codes such as the Japanese Stewardship Code;
- directors' duties, particularly those matters to which they should have regard under section 172 of the Companies Act 2006;
- capital structure, risk, strategy and performance;
- diversity, equity and inclusion, remuneration and workforce interests;
- audit quality;
- environmental and social issues; and
- compliance with covenants and contracts.

[1] Operating as Marathon-London in North America.

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.

> " Marathon's thoughtful and patient investment culture enables the firm to approach stewardship with a long-term view. Making an investment with the intention of holding it for many years means that we can engage with companies in a considered and persuasive manner, ensuring that the business is managed with a long-term view of sustainability. We encourage continuous improvement of ourselves and the companies in which we invest in order to create long-term success for our clients."

Joe Diment, Managing Director

Marathon is an independent, privately owned investment management firm based in London, UK. Founded in 1986, Marathon has successfully applied longer-term and often contrarian strategies in its equity investments around the globe on behalf of its institutional client base of pension schemes, foundations, endowments, charities and sovereign wealth assets. In our assessment, based on the longevity of many of our client relationships, and feedback received from clients, Marathon has been effective in meeting client expectations across its history.

Now in its fourth decade, Marathon's objectives remain the same: to meet our clients' expectations whilst preserving an entrepreneurial investment-led culture. Our purpose is to partner with our clients and help them meet their long-term financial objectives by outperforming stock market indices.

Marathon's strategic plan focuses on maintaining the ability to generate attractive investment returns for our longstanding institutional clients through the consistent execution of our shared and time-tested capital cycle investment philosophy. Marathon's strategy also involves the empowerment of our investment professionals, whilst fostering and maintaining our investment-led culture. As part of the drive to instil the capital cycle investment ethos whilst developing more investment talent organically, Marathon established a junior investment analyst training programme in 2023. The two-year scheme involves individual rotations working alongside portfolio managers covering different regional remits as well as formal training conducted by senior members of the Investment team and external service providers.

Marathon's investment culture is characterised by intellectual curiosity, eclecticism and non-consensus decision-making. The capital cycle approach, uncommon in the investment world, is not bound by style or market capitalisation restrictions which leads to a stimulating and independent investment environment in which portfolio managers have the intellectual freedom to invest widely across all industries.

Marathon broadly characterises investments within two opposite phases of the capital cycle:

- **High return phase**: Investments in the top half of the capital cycle, where high rates of return within a business and/or industry are being attained, are often characterised as having some intangible asset(s) that allows them to fend off competition and excess capital that would otherwise be drawn to the prospects of high returns. These types of investments can also be characterised as having a consolidated industry market structure with high barriers to entry.
- **Depressed return phase**: Investments in the bottom half of the capital cycle, where rates of return have fallen to or below the cost of capital and where capital is being repelled as a result, are often characterised as contrarian, deep value investments where an improvement in the economic returns of a business is not accurately discounted by the broad market. A consolidating market structure, where supply and competition are removed, or a radical shift in management strategy, are often conditions leading to these types of investments.

Business attributes that Marathon finds attractive include companies that:

- deploy capital effectively and efficiently;
- have high insider ownership and/or where company management are appropriately incentivised to focus on long-term results; and/or
- operate in an oligopolistic or consolidating industry.

These investment characteristics and Marathon's investment philosophy which places particular importance on corporate governance issues, specifically through the detailed analysis of the behavioural aspects of management, provides a stable framework for Marathon to deliver long-term outperformance on behalf of our professional client base. This in turn leads to sustainable benefits for the economy, the environment and society.

Marathon does not have an explicit business objective centred around growth in assets (growth in and of itself is not part of our strategic plan). Nevertheless, given the profile of a significant portion of our client base (i.e. corporate and public defined benefit pension plans), Marathon is acutely aware of, and exposed to, the secular trends within the traditional retirement benefit pension world which is transitioning away from public equities. The firm is taking prudent commercial steps (consistent with our investment-centric cultural ethos) to address the more intermediated defined contribution channels. This has been achieved primarily through our sub-advisory relationships and, to a lesser degree, through the methodical build out of our institutional private fund investment vehicle architecture (such as our daily-dealing collective investment trust vehicles established specifically to accommodate US defined contribution plans). These efforts are being undertaken to complement and extend our longstanding institutional client partnerships, such as endowments and foundations, rather than to divert attention elsewhere.

Marathon has been structured to align firm and client objectives, including a long-term investment horizon and a focus on performance rather than asset gathering. The Investment team’s remuneration is largely based on long-term performance relative to the benchmark. Portfolio managers are also assessed on their efforts to integrate sustainability considerations into their investment decision making. Product proliferation is avoided to stay focussed on a narrow range of strategies. Further details on Marathon’s approach to embedding cultural values, as well as monitoring employees’ application of these values, can be found in the Remuneration statement located on Marathon’s website HERE.

Marathon’s Purpose, Vision and Values statement outlines the firm’s views and approach to dealing with clients, investee companies and colleagues which feeds through to Marathon’s strategy. Individual application of the statement is monitored as part of the regular appraisal process for all employees.

Marathon's Purpose statement is:

> **" To partner with our clients and help them meet their long-term financial objectives by outperforming stock market indices"**

Marathon's Vision statement is:

> **" To deliver superior investment returns through the application of our distinctive capital cycle framework in a thoughtful and sustainable way.**
>
> **To act as a trusted partner for all clients.**
>
> **To maintain a dedicated, inclusive and energised workforce where we act with the highest levels of integrity in everything that we do."**

Marathon's Values statement is:

Client focus – such as working on all fronts to align our interests with those of our clients;
Long-termism – such as encouraging management of companies to eschew short-termism, and taking into accounts ESG issues at all stages;
Individual accountability – particularly in decision-making;
Intellectual honesty – candour and humility as expected conduct;
Owner mindset – support colleagues to work for the benefit of clients;
Operational excellence – employing a continuous improvement mindset.

The full Purpose, Vision and Values statement can be located on Marathon's website HERE.

As part of the belief in the benefits of long-term investing, Marathon portfolio managers' investment performance is assessed for remuneration over a five-year time horizon. This helps to ensure that in difficult market environments impacted by significant shifts in global geopolitics and the resulting impact on trade and financial stability alongside ongoing conflicts in Ukraine and Gaza as well as more macroeconomic issues such as an evolving inflationary environment, portfolio managers can remain consistent in their investment approach; continuing to focus on the long-term capital cycle - which is fundamental to how Marathon invests - and the expectations for how company management teams allocate capital.

Finally, to ensure that these investment beliefs, strategy and cultural norms are actively embedded within the business, Marathon has a Sustainability Charter (the Charter, which can be found on our website HERE), alongside the overarching Sustainability Policy (found HERE), to explicitly reflect the commitment of the entire Investment team. The Charter articulates Marathon's commitment to considering sustainability factors as part of our investment process.

As responsible owners and a client fiduciary, Marathon portfolio managers take full account of sustainability issues at all stages of the investment process; during due diligence and monitoring of holdings, engagement with company management and when voting proxies. Clients also have access to a detailed Sustainability & Climate Report (available HERE); outlining Marathon's understanding of sustainability both in relation to investee companies but also at a firm level. The report details work undertaken by the Investment team and other departments as well as evidencing individual portfolio manager commitment to the Charter. The report also provides examples of investment decisions and stewardship that incorporate sustainability over the review period, evidencing its effectiveness as assessed by Marathon.

Marathon meets with its clients regularly, with many speaking to their relationship managers at least quarterly. These meetings frequently involve us asking for feedback on our stewardship approach. Additionally, clients and their consultants can request details on sustainability related matters as part of their due diligence on Marathon. With a professional, sophisticated client base Marathon receives plenty of challenge and feedback on our activities; with constructive comments and suggestions passed on to the Investment team. This feedback often highlights the value clients place on our approach of continuous review and challenge of company management and active voting based on an analysis of each resolution in context; rather than using a "one size fits all" approach to decision making. As a result, we believe that we continue to serve our clients' best interests. Importantly, Marathon's engagement work and interaction with company management (as detailed in other sections of this report) seeks not only to enhance those individual companies but also, where appropriate, effect industry change to the benefit of the wider economy.

Principle 2

Signatories' governance, resources and incentives support stewardship.

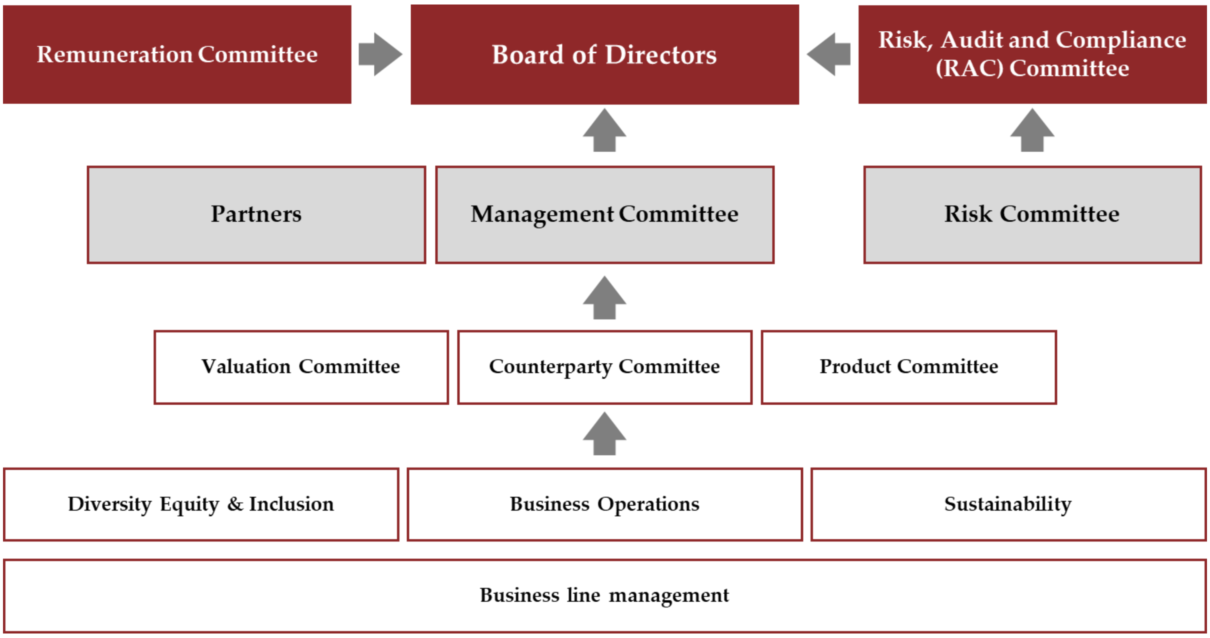
> "Our process is based on a long-term approach to investment, and our governance structure helps to support it. Short-termism is a feature of public capital markets. Often the desire to outperform over a month, a quarter or a year leads fund managers to focus excessively on short-term results and to encourage investee companies to do likewise. Necessary investments to ensure long-term sustainability may thus be discouraged in an environment where short-term profitability is paramount.
>
> Marathon's remuneration structures are designed to reward longer-term results over short-term performance, focusing on a five-year time horizon. They also seek to incentivise Investment team members to remain with the business for the long-term. We believe that this approach underlines the importance of stewardship which lies at the heart of our business."

Charles Carter, Managing Director and European Portfolio Manager

Marathon's Board of Directors ("Board"), the senior body responsible for supervision and management of the business, is the central governance forum at Marathon. This body remains accountable for the overall delivery of stewardship activities across the organisation, supported by the firm's Partners group which seeks to protect and cultivate the investment philosophy and culture of Marathon. All of this is underpinned by the Sustainability Charter and the firm's Purpose, Vision and Values.

Additionally, Marathon has a Remuneration Committee which meets at least four times a year and provides a forum to propose and agree remuneration arrangements for Marathon personnel. Incentives have been carefully designed to provide a material interest in the effective functioning of the firm, the motivation to remain at Marathon and long-term value for clients. Portfolio bonuses are objective and based on the individual portfolio manager's five-year rolling performance relative to their geographical benchmark. The core principle is individual accountability; each portfolio manager has direct and sole responsibility for their own investment performance.

Marathon’s governance framework



This relatively flat structure, coupled with the size of the firm (c. 80-90 employees, most located in one office), allows Marathon to be nimble, able to make decisions and, where necessary, effect change rapidly.

Marathon’s robust governance model to support stewardship is further underpinned by the Investment team which is made up of a number of portfolio managers specialising in their respective regions but who continue to deliver one consistent investment philosophy. All members of the multi-national Investment team are experienced professionals; having many years between them in the industry. All are university graduates, with a number holding further qualifications such as MBAs or the CFA Charter.

Marathon’s Investment Team

Portfolio Managers

Europe	Europe	Japan	Japan	Pacific	Emerging Markets	US small-mid cap / Canada	US large cap
Charles Carter (35/27)	Nick Longhurst (30/21)	Bill Arah (42/38)	Toma Kobayashi (10/6)	Justin Hill (28/4)	Alex Duffy (20/3)	Robert Anstey[1] (30/11)	Ian Deacon[2] (17/8)

Analysts

Ben Slingsby (12/0)	Lee Holden (18/14)	Masanaga Kono (41/9)	Kai Chen (12/3)	Laura Fyfe (5/2)	Tom Wharram (9/2)	Jordane Guillot (15/5)

Junior Analysts

As at 31st March 2025. Numbers in brackets denote experience in the industry/years at Marathon.

[1]Robert Anstey manages Canadian equities for relevant International mandates. [2]Ian Deacon also manages Marathon’s Global Opportunities strategy.

The Investment team at Marathon is primarily responsible for stewardship activities, as portfolio managers have the most experience and understanding of the companies in which they invest through their research of prospective and actual holdings. Individuals within this team are also charged with owning and maintaining Marathon's investment culture that encompasses bottom-up stock picking and the generation of internal research. Such research can include meeting with management of investee companies, which provides the opportunity to challenge various issues, including sustainability, where it is felt that investee companies are not acting in the long-term interests of their business and shareholders.

In total, 2,292 company meetings and interactions were undertaken in 2024. Many meetings take place via video or telephone call which offers greater efficiencies in terms of scheduling and administration for all parties concerned. Nevertheless, Marathon continues to undertake face-to-face engagements in many jurisdictions which offer a more personal way to engage, collaborate and review company management.

Marathon's view is that investee company management is more receptive to direct challenge by the Investment team rather than by separate sustainability, stewardship or engagement specialists who may lack the appropriate contact at an issuer, limited ability to influence issuers and/or pursue a prescriptive, box-ticking approach to stewardship. The only region where this view is tempered is Japan where Masa Kono, working as an analyst within the Investment team, has a primary role to interact with Japanese company management in Japan on behalf of Marathon, encouraging them to focus on long-term returns, allocate capital effectively and make appropriate levels of pay-outs to shareholders.

Marathon then leverages a range of third-party data (e.g. Institutional Shareholder Services ("ISS"); brokers; S&P Global: Capital IQ; Bloomberg – stewardship and sustainability research and technology enablers) to both reinforce our primary internal, bottom-up analytics, and provide market colour and industry viewpoints, thereby helping to enhance Marathon's investment thesis. This further supports the stewardship activities of the Investment team as it helps provide context to the investee company, thereby providing further opportunities to challenge management, as appropriate. To this end, the Investment team is encouraged and supported to keep abreast of developments in stewardship and sustainability through consideration of a range of information and data sources.

In terms of governance, Marathon's approach to managing and controlling such vendors revolves around three separate but interconnected phases: (1) due diligence work carried out before entering into an outsourcing relationship; (2) the on-going monitoring and supervision of the service being delivered by the outsourced entity; and (3) recovery and resilience planning. The oversight arrangements in place for each provider are dependent upon the nature and scale of services provided to Marathon. On an ongoing basis, key counterparties are subject to annual due diligence questionnaires, reviews and on-site visits, as appropriate and dependent upon geographical location. Senior management are involved in this process. Furthermore, the Legal team support contract negotiations and renewals whilst Compliance participate in the RFP for key service providers and will undertake regular due diligence visits/meetings with the core service providers. Compliance also has oversight of ongoing contact and other due diligence documentation undertaken by the relevant business unit for the outsourced parties.

Marathon believes that the ability to vote is a key component of stewardship. To that end, Marathon aims to vote all resolutions, at all companies, on our clients' behalf (where permitted under a client's agreement). In order to facilitate the proxy voting process, Marathon has retained ISS as an expert in the proxy voting and corporate governance area. ISS is an independent proxy advisor firm which specialises in providing a variety of fiduciary-level proxy advisory and voting services. ISS also assist the firm by developing and updating their own set of guidelines which are incorporated into

Marathon's guidelines by reference. They provide research and analysis on stocks within all of Marathon's portfolios, they facilitate voting ballots through their online portal and give recommendations based on each agenda item compiled by their analysts in each region.

Marathon does not automatically accept the pre-populated responses input by ISS, nor does it automatically submit the clients' votes. Instead all proxy events and supporting documentation (including internal research) are reviewed by the relevant portfolio manager(s)/analyst(s) for their consideration, in line with Marathon's proxy voting policy and principles (found HERE, though please note that the web page is hosted by ISS, and therefore takes a few seconds to load, after which you will need to click the "Our Policy" link at the top of the page). Each portfolio manager has the option to accept the ISS recommendation, or to vote against the rationale provided by ISS. In these cases, a written explanation on the reasons to vote against the recommendation will be retained.

As Marathon has a long-term outlook, with a typical holding period of over five years across the firm, portfolio managers have an in-built incentive to promote good governance and undertake stewardship activities in relation to their investments, as such initiatives typically have a gradual and lasting impact on a business rather than being fully felt immediately. Marathon's Investment team has been recruited with its long-term approach in mind, and portfolio manager hires are typically well aligned with our philosophy and approach.

In addition, training courses are offered which can form part of portfolio managers' required Continuing Professional Development, and provide additional context around sustainability and stewardship for other members of staff. Staff are encouraged to undertake qualifications such as the CFA's Certificate in ESG Investing. The Investment team has also received training on the ISS ESG data; both on its use and the underlying methodologies behind the various ratings. Marathon continuously reviews and assesses the training needs of its staff in light of the changing investment and regulatory environment, and further training may be provided in future as the market continues to develop.

Marathon remains wary of simply adding dedicated sustainability resources. Marathon's portfolio managers have always maintained direct responsibility for stewardship and we wish to retain this important and defining characteristic. Nevertheless, to supporting consistent and efficient implementation of sustainability and stewardship matters across the firm, Marathon does have a Sustainability Working Group. This Working Group is constituted of members from across the business that are routinely involved in stewardship and sustainability matters; including members of the Investment, Client Service, Proxy Voting and Compliance teams. The Working Group is chaired by Ben Kottler, a Client Manager, who has experience with sustainability matters in his previous investment-led role and who has completed qualifications such as the CFA Certificate in ESG Investing. This Group gives the business a further operational tool to support active stewardship in order to deliver better client outcomes.

To evidence Marathon's commitment to good stewardship and assess our progress, the firm became a signatory of the Principles of Responsible Investing (PRI) in 2019 with confidence that Marathon's investment approach is fully compatible with the PRI principles. Having completed two previous reporting cycles (2019 and 2022 reporting cycles), Marathon received the most recent report in December 2023, performing ahead of peers in two key areas - policy governance and strategy, and confidence building measures. While the firm lagged in the third key area, focused on the investment process, this was due to the fact Marathon does not incorporate top-down systematic ESG analysis of positioning, instead integrating sustainability using a bottom-up approach. Finally, it should be noted that the scoring methodology changed between each reporting cycle, to reflect the new PRI Reporting Framework, and thus the most recent 'scores' are not immediately comparable to the previous years. Marathon's current Transparency report can be found on our website HERE.

Finally, Marathon has in place an internal Diversity, Equity and Inclusion ("DE&I") strategy. The initiatives and actions that make up the DE&I Strategy are grouped around four pillars: ***Introduce*** (supporting diverse recruitment); ***Include*** (promoting a culture of individual purpose and belonging); ***Grow*** (supporting career advancement); and ***Community*** (external opportunities/initiatives). The implementation, and future development, of the DE&I strategy is overseen by an DE&I Working Group, chaired by the Head of HR and including members drawn from across the business, with representatives from the Administration, Client Service, Compliance, Human Resources, Investment, Finance, Operations and Trading teams. Marathon's initiatives in this area are supported by membership to the Employers Network for Equality and Inclusion ("enei"), which provides access to training, materials and benchmarking data on DE&I for the members of the working group.

Following the approval of the DE&I Strategy, Marathon is undertaking or planning a number of activities to promote DE&I within each of the four pillars. Current initiatives and policies include:

Introduce

- Engage recruitment agencies with a clear DE&I Policy and mandate diverse candidate slates
- Review job descriptions to ensure gender-neutral language is used
- Ensure all interview panels are sufficiently diverse
- Structured interviews to assess all candidates consistently, objectively and fairly

Include

- Staff training (e.g. on Inclusive Leadership/ Inclusive Mindset) and inclusion-focused objective for managers
- Staff Working Groups on DE&I projects
- All employees have "inclusive culture" objective in bi-annual reviews

Grow

- Advertise all vacancies internally
- Mentoring programme

Community

- Participation in the 10,000 Interns Foundation – a programme offering paid internship opportunities to under-represented groups
- Research and recommend appropriate external programmes/partnerships (e.g. the Brokerage)

Marathon has had an Equal Opportunities and Dignity at Work policy for many years, stating the principle of equality of treatment; however, the DE&I strategy formalised the issue of inclusion and diversity, focusing attention and ensuring all staff are treated with equal dignity and respect, whatever their individual background or characteristics.

Although we believe that the business has been successful in providing an inclusive environment in the past, codifying our approach has helped to ensure that this remains the case in the future, and that diversity becomes a more central consideration for the firm in the future.

Principle 3

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

> " Marathon has established a strong culture of compliance; ensuring both firm and staff act with integrity in managing conflicts. From our Corporate Values to underlying policies and procedures, Marathon has constructed a framework whereby conflicts, either between the firm and clients, or intra-client, are managed in a fair and equitable manner."

James Bennett, Chief Risk and Compliance Officer

The successful identification, mitigation and management of conflicts remains a central part of how Marathon delivers fair treatment of client interests whilst generating superior investment returns. Conflicts, actual or potential, which arise when engaging in stewardship meetings and subsequent voting activity are managed within a clear, effective framework to protect client interests.

Conflicts may arise as a result of:

- ownership structure;
- business relationships between asset owners and asset managers, and/or the assets they manage;
- differences between the stewardship policies of managers and their clients;
- cross-directorships; and
- client or beneficiary interests diverging from each other.

Marathon maintains a strong culture of compliance where it expects all its personnel to exercise the highest standards of integrity and conduct in their business dealings. Marathon maintains a Conflicts of Interest Policy which covers all potential conflicts of interest which may arise within the investment process. As outlined within the policy, in order to maintain the highest degree of integrity in the conduct of Marathon's business and to maintain personal independent judgment, staff must avoid any activity or personal interest that creates, or appears to create, a conflict between personal interests and the interests of Marathon's clients. It is Marathon's policy that all clients will be treated fairly in accordance with relevant regulatory requirements, and in alignment with the firm's Purpose, Vision and Values statement. Marathon's Conflicts of Interests Policy is available publicly on the Marathon website HERE.

Marathon's Governance, Risk-Management and Compliance ("GRC") system is used to maintain a Conflicts Matrix, which includes actual and potential conflicts which have been recognised across the business; alongside arrangements which have been put in place to facilitate early detection management, mitigation and prevention of any such conflicts from having an adverse impact. If any new or potential conflicts of interests are identified, personnel will add or amend an existing conflict entry in Marathon's GRC system. This includes any outside business/trusteeships/directorships, political activities and other personal conflicts; in addition to business conflicts. New or amended conflict entries are flagged by the system to Compliance, which will review the conflict and support the business in implementing new controls surrounding a potential conflict &/or escalate the matter for

Board approval in the case where a material actual conflict is being reported. Marathon's Board has the final decision regarding issue resolution on material conflicts. In addition, all new/amended material conflicts are provided for the Board's consideration, including mitigation, on an annual basis at minimum. Evidence of a review of the conflict and conclusions/approvals given are saved in the GRC system. Timely completion of the review is trackable as dashboard reporting within this system, showing progress and outstanding items for completion.

On a quarterly basis, personnel reaffirm that all conflicts have been disclosed via attestation surveys circulated via the GRC system. Results can be interrogated within the system or extracted as a report for senior management oversight. Personal conflicts, such as political activities or directorships, are independently verified by other types of screening, as appropriate.

Through this processes actual and potential conflicts are identified and managed on an on-going basis.

Occasions may arise during the engagement or voting process where a potential conflict of interest could materialise. Such conflicts could include (non-exhaustive):

- Where portfolio managers have opposing views in connection with engagement or voting shares of a company they are both invested in;
- Where Marathon has a separate material relationship with, or is soliciting business from, a company lobbying for proxies; or
- Where a personal relationship exists, such as where a friend or relation is serving as a director of a company soliciting proxies.

A conflict could also exist if a material business relationship exists with a proponent or opponent of a particular initiative. Where Marathon identifies a material conflict of interest, the team involved will raise the matter with Compliance. Such reporting will include full details of the issue including why the conflict is deemed material with confirmation how the proxy vote or further engagement is to be undertaken in the best interests of all clients thereby helping to mitigate any conflict identified.

During the last twelve months, there have been no new material stewardship-related conflicts identified that have impacted Marathon's ability to act in the best interest of our clients.

For further detail see Marathon's Conflicts of Interest policy, available HERE. In keeping with Marathon's long-term approach, this policy enables us to make long-term decisions in the best interest of our clients.

Principle 4

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

> "Since Marathon's founding, the world has become ever more closely connected and globalised. While this has presented great opportunities for companies, and has played a major part in Marathon's success, it has also brought with it a number of new risks and threats. While many systemic risks may never materialise, those that do can be devastating such as the Global Financial Crisis of 2007-2008, and the covid-19 pandemic. While globalisation has brought many benefits, the events above have highlighted the fragility of long supply chains and the problems that can arise as a result of increasing concentration of key industries within individual regions or countries. These issues appear to be making companies and countries reassess their global footprints and may lead to a dialling back of globalisation in the medium term.
>
> Marathon attempts to think about these risks from both an organisational and market-wide perspective, and seeks to develop strategies to mitigate the impact when major events occur."

Joe Diment, Managing Director

In a globalised world it used to be argued that resilience was built-in. Manufacturing could be moved anywhere; emerging economies would be levelled up and developed markets would benefit from better supplies at lower costs. While much of this has proved true, many economies have specialised, connections have become ever closer, supply chains longer and a level of fragility has become increasingly evident, as seen with the supply chain impacts resulting from covid-19 restrictions, the conflict between Russia and Ukraine, rising tensions in the Red Sea and uncertainty around the introduction of tariffs by the new-US administration, with the knock-on impact of inflationary pressure across many economies. Risks range from the concentration of global manufacturing of particular products in one place through the interconnectedness of financial institutions to the speed and ease of travel.

In respect of our investment decision making process, Marathon's bottom-up investment research approach does not apply a universal top-down view on such issues; however, systemic risks are discussed regularly within the investment team and by senior management. These systemic risks to the financial system relate primarily to the interconnectedness of capital and the risks that, for example, excessive leverage in the system can lead to a negative cascading effect when capital is withdrawn after poorly considered risk is uncovered and assets are written off. As long-term investors, Marathon's portfolio managers consider these issues more than most, as the likelihood of an equity becoming impaired (potentially even falling to zero), becomes a bigger part of the equation the longer the investment duration. Marathon's often contrarian approach means that there has been a tendency to deploy capital to industries where others have exited, thus aiding the smooth functioning of the financial system. The aim is that systemic risks are acknowledged and considered within investment decisions.

Examples of these concerns and considerations include (but are not limited to):

- The risk of stranded assets should economies decarbonise more rapidly than anticipated in more carbon-heavy issuers – consideration of these issues is always at front of mind when evaluating energy-related businesses and Marathon chooses to invest in businesses which act pro-actively through capital allocation to position themselves to be on the right side of decarbonisation. Recent examples include an investment in Cemex, a Latin American cement producer, which has implemented ambitious carbon dioxide reduction targets with the aim of becoming the cleanest producer of cement globally.
- The risks inherent in the global financial system, and laid bare following the collapse of Lehman Brothers, in any financial-related issuers that Marathon invests in for our clients – Marathon's consideration of financial services businesses seeks to identify the levels of systemic interconnection and the latent risks these present. This risk was bought into sharp relief in early 2023 when several specialist institutions in the US, which focused predominantly on servicing the 'tech sector', failed due to the fall in value of their capital buffer. These entities held US treasuries when the market value fell substantially following hikes in interest rates. This is not a problem if held to maturity, but heightened withdrawal requests meant that these businesses were unable to honour deposits. What appeared to be a small issue rapidly expanded into a bank run and resulted in the failure of several lenders. Only concerted action by a number of central banks, which included the forced purchase of Credit Suisse by rival UBS, was able to stem the contagion. The episode illustrated that better mechanisms may now be in place to manage the systemic risks at the country level than was the case in the mid 2000s, but the fallout from the failure of even a comparatively small and specialist financial firm can be wide ranging and is very difficult to anticipate.
- The concentration of systemically important industries in one country or region – for example, the concentration of integrated circuit manufacturing in south-east Asia leading to issues for manufacturers of other electronic goods elsewhere should there be transport disruption as evidenced in the covid-19 pandemic, and further exhibited by the effects on supply chains as a result of the Russia-Ukraine war. Supply chain review has become an increasingly important part of the issuer review process as a result.
- Geopolitical risk has been an increasingly important factor in our considerations over the past several years - for example around US/China relations and their mutual economic reliance and antagonism, which has been magnified following Donald Trump's re-election as President in November 2024. Marathon considers the health of the overall country/market, property rights and the potential for expropriation as material matters of concern. These issues have resulted in a philosophical avoidance of majority state owned enterprises and lower-than-average weightings in those markets where we believe that these risks are higher. Often such markets are accessed through listed Depositary Receipts rather than via the local listing, both because of better liquidity management and such instruments may allow us to avoid rapidly imposed capital controls; however, we acknowledge that there will be occasions where geopolitical risks crystallise and impact portfolio returns. A good example of this occurred in 2022 when sanctions and political decisions following the outbreak of conflict between Russia and Ukraine resulted in two positions in Russian companies, held via London listed GDRs, being delisted. The securities have no secondary market at present so they have been marked down to a nominal value, which impacted those portfolios which held them.
- Liquidity risks are ever-present for investors in multiple markets – the risk that we may not be able to exit a position in an orderly or rapid fashion is one taken very seriously. At a minimum, we limit the proportion of free float that can be held in a given security; consider the Average Daily Volume (ADV) traded and whether this is volatile or exhibiting a declining trend; we look at bid/offer spreads, which widen as liquidity falls; as well as considering the expected costs of execution under various scenarios. Before any new investment is made, or where a portfolio manager seeks to

increase a position in a capacity constrained security, Marathon's Investment Implementation & Analysis team assesses the liquidity of those investments and the appropriateness of the proposed order for Marathon's underlying client portfolios.

On occasion, systemic market risks may result in significant volatility; as seen due to the global covid-19 pandemic, the outbreak of conflict between Ukraine and Russia in 2022, or the collapse of Silvergate Bank in March 2023 and the subsequent short-lived banking crisis. Given Marathon's long-term approach to investing, averaging seven years or more, typically Marathon does not react in a knee-jerk way but will consider the impact of such events upon the investment rationale and thesis. In response to such volatility, positions may be retained, increased or decreased according to portfolio manager views and conviction. As an active manager, this is a key function in supporting and stabilising the market. One example illustrating Marathon's reluctance to react reflexively to market movements is that of Danish turbine manufacturer Vestas Wind Systems. The wider renewable energy market has struggled over recent years as it was hit by supply chain disruptions and high inflation; contracts have not usually protected bidders against rising input costs in the past, and are often signed several years in advance of work being undertaken. Peers have also been more willing to bid for contracts at extremely low, often sub-cost, prices to expand their market share, meaning Vestas has missed out on some opportunities. Marathon, however, continues to hold Vestas and did not divest when the share price fell. Vestas is one of very few remaining turbine manufacturers, with a long pedigree and a history of weathering downturns only to emerge stronger. The stock fell sharply with the election of Donald Trump to the US Presidency, given his enthusiasm for fossil fuels; however the global drive to reduce reliance on fossil fuels is still a priority for most governments. Vestas has unique expertise in its field, as well as benefitting from economies of scale which gives it a significant market share in the onshore wind turbine business and an attractive service capability.

Marathon carefully monitors public disclosures and seeks to meet regularly with management, executive and non-executive directors as appropriate, to understand better the business and the broader industry. At these meetings, Marathon takes the opportunity to give feedback on potential areas of improvement as part of assessing a company's capacity to deliver its long-term strategy, including market-wide and systemic risks. Notes of these meetings are recorded in a centralised database (which is distributed weekly to the Investment team, Client team and Compliance team), enabling the Investment team to consider and where necessary challenge a particular portfolio manager's perspective of such risks. Successful stewardship facilitates Marathon's capital cycle investment thesis delivering shareholder value and alignment with the long-term interests of our clients as well as promoting continued improvement of the functioning of financial markets. Portfolio managers are then able to consider any market wide and systemic risks impacting a country, sector or industry and whether this requires either further engagement with management or a change to the investment rationale.

Marathon's Investment team continues to place a high degree of importance on meeting with company management teams, to assess long-term strategy and encourage appropriate capital allocation. Whilst the preference is to see company management face-to-face, Marathon utilises video conferencing and conference calls to interact with issuer companies and their brokers. Virtual meetings have brought the benefit of facilitating more easy and frequent interaction with issuer management teams based in other time zones; allowing both Marathon's Investment team and the issuers' management to connect more readily than with in-person visits, and with the added benefit of reducing the carbon impact of travelling to such meetings. As ever though, the challenge has been to ensure meetings focus on the long-term, rather than seeking to anticipate when and how short-term goals will be achieved and issues overcome.

In Japan, Marathon portfolio managers have written extensively, for many years, about a need for ongoing corporate governance reform in that market. More recently for example, in a December 2024

Marathon Global Investment Review ("GIR") – our investment newsletter - article, "Rates of Change in Japan", we explored how the pace of change in corporate governance in the country has quickened in recent years. Cross-shareholdings continue to be unwound, buy-back activity has picked up markedly, and dividend payments have also increased significantly. The reality, however, is that corporate politics tend to make change more complicated and slower than might be hoped. Investors with short time horizons have been, and will continue to be, tempted to exit when confronted by slow progress, but Marathon, and its long-term focus, continues to add to holdings while focusing on patient, meaningful change.

Governance is a frequent topic in GIRs, discussed by both Emerging Markets (August 2023, "Clear Road Ahead") and European (August 2023, "Watching Paint Dry") portfolio managers. In the first of these articles Marathon discussed the corporate governance landscape in China, highlighting how changes have taken hold gradually in recent years, and we have witnessed an increased focus on shareholder returns and quality of corporate reinvestment. The review focused on the strategic vision of portfolio holding Zhongsheng Group, China's largest auto dealer, which concentrates on the firm's disciplined approach to capital allocation, and has in turn led to the company's superior financial performance versus competitors. The latter article looked at why character and quality of management must be a key focus for long-term investors. As long-term owners of companies Marathon wishes the businesses in which we invest to be sustainable in every sense – socially, environmentally and financially. Marathon's contention is that sustainability is primarily concerned with corporate behaviour, which is determined by the actions of the people working within the companies whose shares we hold.

In terms of working with other stakeholders, Marathon's preferred approach is to assess industry initiatives and engage through them. As a smaller firm, which integrates stewardship and sustainability considerations within its Investment team and process, resources to participate in such initiatives are limited, so we are highly selective about which ones we join; at present we are only a signatory to the Principles of Responsible Investing ("PRI"), though Marathon did formally support the Task Force on Climate-related Financial Disclosures ("TCFD") prior to the completion of its mission and its dissolution in November 2023.

To support the functioning of the financial market system, Marathon also feeds into consultations with key regulators such as the UK's Financial Conduct Authority, the European Securities and Markets Authority and the US' Securities and Exchanges Commission usually via Marathon's industry body, the Alternative Investment Management Association ("AIMA"). Compliance individuals participate in regular conference calls hosted by AIMA with other managers to agree responses to consultations and requests for information, including in relation to stewardship matters. As part of this approach, Compliance source feedback from relevant staff internally. Once the views of AIMA members are consolidated, AIMA then submits their response to the relevant body. Examples of this engagement during 2024 ranged from providing input on items such as HM Treasury's call for evidence on Financial Services Growth & Competitiveness Strategy; discussions on the proposed changes to the UK Stewardship Code; feedback on plans to amend the UK transaction reporting regime; to commenting on the FCA's proposals to publish enforcement investigations. Marathon's view is that taking a collaborative approach like this helps to ensure consultation responses and future initiatives actually address potential market-wide risks.

Within the firm itself, Marathon undertakes rigorous Business Continuity planning. Marathon maintains a comprehensive Business Continuity Plan ("BCP") alongside a Recovery and Resilience plan. The BCP itself is periodically tested by Marathon to ensure it remains appropriate and effective. Both documents are updated at least annually as well as following any significant systems or infrastructure change. The BCP has been created, in part, considering a number of negative scenarios and systematic threats, including a number of different reasons why the office may be unusable, how the business would function should a significant proportion of staff be unable to work and other threats and issues.

Principle 5

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

> " Regular review of policies and procedures are undertaken throughout the business in order to ensure that Marathon remains in compliance with applicable laws and regulatory requirements; as well as up-to-date with material changes to systems or team structures. In addition to our internal reviews, Marathon also commissions an annual audit of core controls to provide additional assurance that they are effectively operated."

James Bennett, Chief Risk and Compliance Officer

Marathon's policies and control procedures are reviewed both by relevant internal teams, including Compliance, and independently by an external auditor on an annual basis as part of an internal controls review based on the AAF 01/20 standards.

A review of all key policies, including stewardship and engagement, is completed at least annually by Compliance and relevant subject matter experts within the firm to ensure the documentation accurately reflects current practice, and remains fit for purpose and in-keeping with industry practice. Any proposed improvements to processes such as stewardship are flagged to relevant teams to ensure all are aware of enhancements. Furthermore, all personnel are required to attest on an annual basis, at minimum, that they have read and understood the firm's policies and procedures, including those related to stewardship and engagement. All staff are also actively encouraged to provide feedback and suggest changes and improvements where they see change is required.

In addition, Compliance undertakes an annual formal review of the assurance programme in place at Marathon. This review ensures continued the firm's alignment with current best market practice, along with effective implementation of Marathon's second line of Compliance and Risk resources.

To ensure a comprehensive annual review is conducted and to identify where 'second line' resources should be deployed, an analysis of strategic work, material business matters and regulatory developments has been undertaken; focusing on historical needs/trends and expectations for new work in the coming year, alongside of review of the compliance monitoring programme. In addition, to ensure effective and efficient implementation of second line resources, matters related to Risk have also been considered.

This report is reviewed and signed off by relevant senior management and the Risk, Audit and Compliance Committee; and will include any actions needed to improve engagement activity. The 2025 review reconfirmed the need to continue to provide advice and guidance on the ever changing and growing number of global sustainability related regulatory developments and initiatives, amongst others.

Marathon's key activity in relation to stewardship of investments is via its meeting and engagement with corporate management. Internal records are kept concerning engagement with company management and, separately, proxy voting activity, which is overseen by Risk and Compliance.

Marathon uses an electronic voting platform to submit voting decisions. Proxy voting data is shared with clients alongside a detailed market commentary which may include insights into significant company meetings held during a particular quarter alongside any major shareholder engagement activities or developments. Marathon provides clients with detailed quarterly reports on voting activities, which provides another opportunity to be challenged on the firm's effectiveness with regards to stewardship.

Marathon continues to produce stewardship material for its clients to help explain Marathon's overall approach to engagement, collaboration and escalation. To ensure that such reporting is fair, balanced and understandable, the development and production of such material is subject to a rigorous approval process. All reports, including those related to stewardship activity, are subject to a four-eye review within the Client Service team, with input from the Investment team. In addition, Compliance undertakes a review of all reporting materials to ensure it meets all relevant regulatory standards, including that it is fair, balanced and understandable. Publicly available reports, such as the Sustainability & Climate Report and, indeed, this response, are also subject to review by members of the Board. See the Sustainability section of our website for further details: HERE.

Effectiveness of stewardship activities, reporting and processes is also discussed at the Sustainability Working Group. This avoids duplication of effort and helps to ensure that deficiencies are not overlooked. In summary, this work helps ensure that stewardship reporting is fair, balanced and understandable.

Whilst Marathon's engagement may not always result in the outcome that our Investment team is seeking on behalf of our own clients, we will nevertheless continue to press company management to do what we think is right. Indeed, the Sustainability & Climate report sets out examples of where Marathon has been successful or not.

Principle 6

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

> " Marathon's goals remain what they have always been; to generate attractive returns for our clients and to continue to meet their performance objectives. However, over the past several years client interest in non-financial matters such as stewardship, diversity and sustainability have increased substantially. This has led Marathon to develop better, more explicit communication and reporting of our longstanding stewardship activities, and to provide increased reporting and information via both the public website, for Marathon-wide information, and the password-protected Client Area for information specific to each client's mandate.
>
> In our view, stewardship activities are key to us achieving our clients' goals. As investors who seek to identify good long-term stewards of our clients' capital, voting and engagement with company management are core to our investment process; and a route to influence the structure and management of the companies held."

Zach Lauckhardt, Head of Client Service

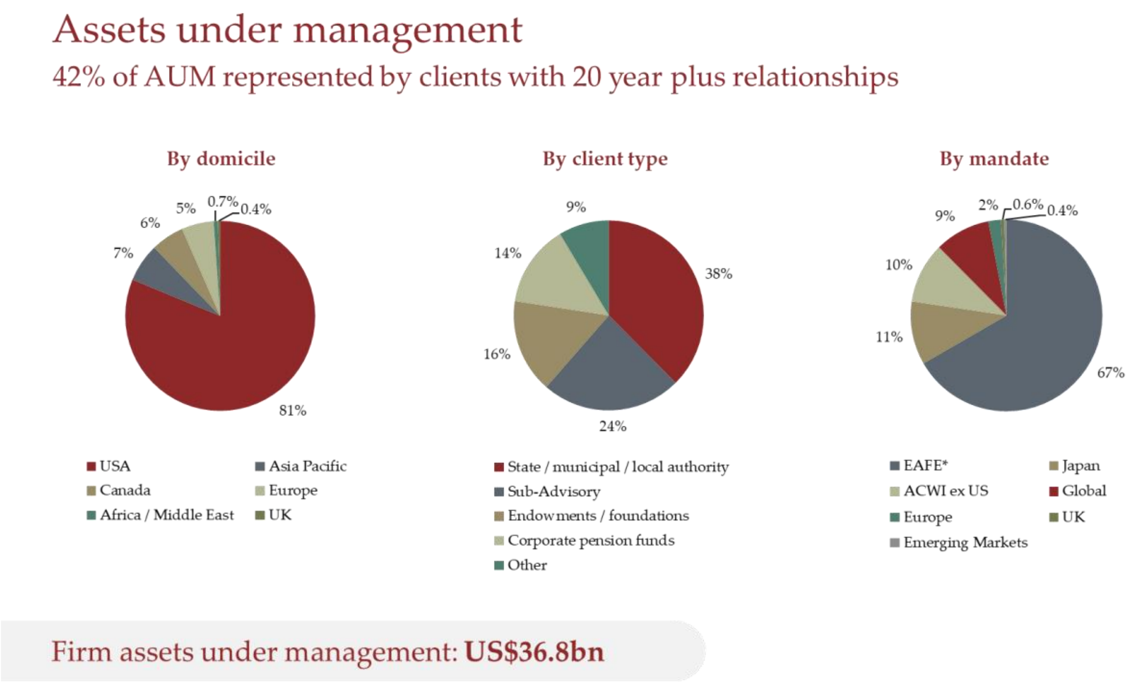
Marathon's core values are twofold: to continue to meet our clients' performance objectives over the longer term and thereby retain long-standing institutional relationships; and to retain Marathon's investment-centric culture built upon the tenets of individual accountability and alpha generation.

Client service and engagement is therefore core to Marathon's approach in order to foster and maintain the long-standing client relationships upon which the business relies. Every client is assigned a Client Manager who seeks to meet with each of their clients regularly. These meetings typically focus on apprising the client of any relevant developments at Marathon, within their portfolios, and updating them on performance and other topics of interest. Meetings will sometimes include discussion of stewardship activities such as significant votes that may have occurred, or particular engagement activities undertaken. This is also the forum in which clients, from time to time, voice particular concerns or areas of interest in regard to stewardship. Marathon's client base, large institutional investors that are sophisticated in nature, are not shy in voicing their opinions of Marathon's investment, stewardship and sustainability-focused activities.

A written record of all these meetings is made available to key individuals within the business, which is then used to evaluate the effectiveness of the firm's current procedures and approach, including those that participate in the Sustainability Working Group and Compliance (see response to Principle 5 for further details). Marathon has also successfully instigated video conferences on top of face-to-face interaction to give numerous clients the opportunity to hear from, and interact with, Marathon's portfolio managers; including on stewardship and engagement matters.

Our rationale for engagement with clients focuses on providing a bespoke service aligned to our clients' needs. Through delivering operational excellence in client service we hope to mirror delivery of long-term superior investment returns. This approach has been refined year-on-year with material adjustments made as a result of client feedback and ensuring the business continues to deliver what our clients want, need and expect.

Marathon's diverse client base is 100% institutional, based in jurisdictions around the world and focussed on achieving various aims. It can be illustrated as follows:



Source: Marathon, 31 December 2024.
Approximately US$294m of AUM are alternative fund assets, which are not included in the charts above.

Client tenure is long, with 67% of clients (by number, representing 63% of assets) having been a client of Marathon for more than ten years. Our average investment holding period is also substantially longer than is typical in the industry at around five years (weighted average holding period). As long-term investors, we view analysis of the risks faced by a business, including those relating to its actual or potential environmental or social impacts, as a crucial part of our investment process. These risks can cost a company dearly over the long-term, so assessment of these risks, and the governance structure and process which oversee and manage them, is – and always has been – an important part of our approach. Engagement with issuers, and with our clients and beneficiaries, is a key way to ensure that the investment rationale is sound.

Marathon seeks to be transparent and open about our stewardship activities with our clients. Part of this work includes the publication of articles in the GIR which is sent to all clients at least eight times a year alongside an accompanying podcast. The GIR, written by members of the Investment team, offers unique insight into topical issues, which sometimes include stewardship and sustainability. It represents the most effective way for clients to understand Marathon's investment approach. Marathon will also look to share voting information with our clients and prospective clients (on a case-by-case basis) at least quarterly as part of Marathon's standard client reporting procedures; for example, where data is published online via Marathon's client reporting gateway. Marathon-wide voting data is also made publicly available on our website HERE (note that the page may take a few seconds to refresh). In addition, in response to client needs, Marathon publishes an annual Sustainability & Climate Report which is publicly available on our website HERE. This report outlines Marathon's approach to stewardship and sustainability matters at the investment and firm level, including an assessment of our effectiveness. Feedback from clients has been positive.

It should be noted that Marathon considers the ability to influence management as an integral part of the investment management function. During the client onboarding process, Marathon's proxy voting approach is discussed with the new client, and typically forms part of contractual discussions, as well as periodic due diligence reviews. Clients often discuss sustainability issues with Marathon. Their views may be considered by portfolio managers as they prepare for company meetings and assess proxy voting decisions, alongside other external input and internal analysis. However, whilst we are happy to discuss voting with clients, the ultimate decision of how we decide to vote rests with the Investment team. Where a client has their own policy in place, they are able to opt out of Marathon's voting policy and vote their own proxies.

Very occasionally, clients have approached Marathon directly about strongly held views, usually in regard to a specific upcoming vote, and seek to discuss their point of view with the Investment team, seeking to persuade the portfolio managers to vote in line with their views. In these cases, the client's view will be assessed as additional information on the vote in question, and might influence how portfolio managers vote overall; however, all in-scope holdings are, ultimately, voted according to the views of the Investment team.

Marathon provides proxy voting statistics to clients which document where Marathon has voted for and against management and/or ISS recommendations on a range of issues. Similar data, for the firm as a whole, is available directly on the Marathon website. Additional reports are also available which provide further data to show how Marathon has voted for and against company management on individual issues.

Monitoring by the second line ensures that the Investment team has followed the firm's agreed stewardship and engagement practices, with no material instances of failing to follow the policies evidenced in 2024. This monitoring is also reviewed independently by an external party as part of the internal controls testing undertaken annually.

Finally, the role of Marathon's Product Committee aims to ensure client views and requirements are actively considered across the business alongside ensuring Marathon's collateral of investment opportunities are aligned to client demands. The Product Committee is also charged with developing and evaluating current and future clients' needs by considering client feedback and assessing client sentiment surrounding existing Marathon strategies and funds.

Over the course of 2024 Marathon has sought to improve client communication. In addition to the regular reporting and client meeting schedule, improvements have been made to the format and content of reports which appear on the website (including this one). Additionally, as supporters of the TCFD, our inaugural TCFD-aligned report was produced in 2023 to provide information to interested investors on the potential climate impact of our business and our portfolios. The TCFD was disbanded in late 2023 after it completed its objective of creating a standardised reporting framework for climate-related emissions. Marathon continues to encourage adoption of its disclosures and recommendations, and produced a new Sustainability & Climate Report (found HERE) during the year, combining TCFD-aligned climate disclosures with Marathon's Sustainability Report in order to provide clients with a single document to explain Marathon's approach to the topic.

Principle 7

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

> " Thoughtful consideration of the long-term, holistic sustainability of businesses has been fundamental to our investment process since 1986. As minority owners of the businesses in which we trust clients' capital, we expend every effort to partner with management teams which allocate capital astutely with a view to the next dozen decades; this necessarily involves proactive stewardship of sustainability risks and opportunities."

Laura Fyfe, Emerging Markets Analyst

As an active long-term equity investor, sustainability has always been an integral part of Marathon's investment decision-making process operated by the entire Investment team as a matter of course. Marathon's primary objective – the fiduciary duty to add value within clients' agreed risk parameters – is enhanced by considering material sustainability issues. Portfolio managers integrate assessment of sustainability (including climate change) within their overall analysis of stocks, rather than treating it as a stand-alone issue in making investment decisions. Marathon utilises ISS, in addition to more traditional information sources, to assess sustainability factors with the approach taken adjusted depending on the industry, sector or geography.

Marathon's approach is to assess sustainability holistically within the investment process, rather than applying quantitative rules or an overlay. Our approach does not seek any specific impacts, or target any particular metrics; rather we seek to understand, balance and, where possible, reduce or mitigate the financial risks associated with any sustainability issues identified.

Discussion in recent years has gradually moved away from viewing such issues as risk factors in relation to the potential returns of an investment and towards them being viewed as a separate issue, to be dealt with in their own right. This may be appropriate where clients choose to invest their money to achieve non-financial objectives, or "impact investing"; however, Marathon believes that it is a false distinction when considering financial performance.

While sustainability risks clearly have an impact on various areas of life, and their impact on society and the wider economy is potentially significant, in respect of their potential to improve or reduce a client's portfolio return, sustainability risks are, ultimately, financial risks to a company. However; many are "long tail risks", meaning they could occur at any time, but have a low probability of occurring at any particular time. For example, poor environmental practices may not have an impact today, or in the next year but could lead to huge fines, litigation and clean-up costs. Similarly, poor treatment of workers may eventually lead to strikes by staff or boycotts by customers and failing to address issues of governance may, in time, lead to fraud, scandal or censure. All of these issues have led to the precipitous collapse of company share prices, and even to bankruptcies, in the past. Nevertheless, poor practises may benefit a company in the short-term, as long as the worst does not happen, as it is often cheaper to behave badly than to behave well. It therefore presents company management with an issue of moral hazard; behave well and see competitors with worse practices do better, or join them and hope that the bad practices do not crystallise into as issue while you are on-board.

Marathon is a genuinely long-term investor, with a typical holding period in excess of five years, and some holdings which remain in the portfolio for much longer. As a result, these risks are more likely to crystallise while we hold a position than is the case for peers with substantially shorter time horizons. As such, they are taken seriously both prior to investment and while a position is held. Marathon's primary focus remains finding companies that it believes are able to generate good returns over time. The firm's strong track record of engagement with company management helps to encourage long-term value creation; which invariably includes focusing attention on sustainability risks, their mitigation and agitating for improved practice. Portfolio managers feel this is more effective than an activist approach of taking outsize bets with clients' assets and then publicly criticising companies in an effort to force short-term changes upon them.

Integration of stewardship and investment is overseen by Marathon's Board which receive reports on work undertaken by the Investment team and other teams as part of Marathon's Sustainability Charter. This includes overseeing information on portfolio manager due diligence and their on-going monitoring of holdings; company engagement (focusing on number and types of meetings), and trends; any lobbying or bi-lateral/multi-lateral engagements; alongside feedback on significant voting activity.

Furthermore, as discussed in Principle 1, Marathon has a Sustainability Working Group which is tasked with ensuring consistent establishment of sustainability and stewardship practices throughout the firm.

For proxy voting, whilst Marathon subscribes to an ISS service that includes voting recommendations Marathon's portfolio managers have always voted their own proxies at Marathon. As noted above, we consider the ability to influence management to be an integral part of the investment management function. Portfolio managers having absolute discretion in taking a view on any given sustainability risk or opportunity, in line with Marathon's proxy voting policy and principles (found HERE, though please note that the web page is hosted by ISS, and therefore takes a few seconds to load, after which you will need to click the "Our Policy" link at the top of the page). In connection with proxy voting decision portfolio managers are required to produce enhanced documentary records surrounding all materially significant votes. These records help evidence sustainability factors being considered as part of Marathon's investment process.

Marathon has advocated corporate governance reform on a frequent basis. The approach used does not vary materially by region and is uniformly applied regardless of vehicle. Portfolio managers undertake this function directly themselves, except in Japan, where Masanaga Kono, a Tokyo-based Analyst, focuses on corporate governance issues by engaging with senior management of Japanese companies held in Marathon portfolios. The reason for this slightly different approach is twofold; firstly, Japanese companies have not always been run with the shareholder's best interests in mind and secondly, being resident in Japan, Masa is more suited to maintain and foster local relationships to express Marathon's views (something that is not always achievable via fly-in, fly-out meetings). He addresses issues such as cash deployment; the separation of Chairman and CEO roles; and proxy voting. For all other matters, including proxy voting, the approach is consistent across Marathon.

Discussions with management are documented through Marathon's meeting notes database, and access to this resource has been widened to a larger audience to facilitate understanding of, and reporting on, our approach to corporate engagement across the business. The Marathon Partners Group (which all portfolio managers participate in, alongside senior representatives of other business areas) also discusses stewardship and sustainability matters regularly, in order to spread best practice and relevant information more widely across the business and to ensure that such matters remain at the forefront of our investment approach.

While it is comparatively rare for stewardship and sustainability matters to be the main driver of the purchase or sale of a holding, from time to time they can be key considerations. A recent example of a purchase where environmentally positive characteristics were a material consideration was that of Latin American cement producer Cemex. Cement production is carbon intensive, and Cemex has introduced aggressive CO_2 reduction targets, centred around the use of alternative fuels, decarbonated raw materials and the reduction of 'clinker factor' in cement. Clinker is the key component of cement, and its production generates the majority of direct CO_2 emissions in the overall cement production process; by substituting it with by-products from other industries, these emissions can decrease drastically. On the whole, the company has targeted a reduction in CO_2 emissions to 430kg/t by 2030 (from 604kg/t in 2021), which would make them the 'cleanest' cement producer globally.

Similarly, climate change was an important factor in the purchase of Vail Resorts, the largest owner of ski resorts in North America. The industry has had diminishing supply for over 40 years, and climate change is only likely to exacerbate this. The business has made numerous acquisitions over the last decade in order to expand its portfolio of ski resorts, and is well positioned for further consolidation as global warming continues to affect smaller players in the industry.

Governance factors were a key driver behind the purchase of Hi-Lex Corporation, a Japanese supplier of window regulators, for modules and mechanical control cables for the auto industry. Management have focused efforts to improve profitability in recent years; selling cross-shareholdings and buying back stock, for example, alongside increased focus on growth areas and faster decision making. These efforts to improve corporate governance were underappreciated by the market at the time of purchase, which Marathon believes will continue to improve the businesses prospects.

For further details regarding Marathon's position on sustainability please see the Sustainability Policy HERE.

Principle 8

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

> " Marathon is acutely aware of the role played by third-party providers in the delivery of our services to clients. A rolling program of oversight, including regular monitoring, periodic due diligence and occasional market reviews, is used to ensure that service levels continue to meet our high expectations and that the providers we select remain competitive and able to provide the highest quality of service to both Marathon and our clients. We also actively pursue resolution where service levels fall short, and seek comfort that systems and processes are updated to mitigate the risk of reoccurrence."

Andy Flawn, Head of Operations, Technology, Change and Data

Alongside the reliance on internal research combined with direct company engagement, Marathon does receive a range of services in support of our stewardship activities. These include third party company research; sustainability research; and proxy voting services.

- **Company research** – Data, analysis and research is obtained from a wide range of third-party investment brokers and independent boutique research providers. Portfolio managers use this material in combination with their own research as part of the overall decision-making process. This type of research is subject to continuous on-going oversight and review. A formal assessment and peer analysis is undertaken quarterly with these materials paid for directly by Marathon and not using client commissions. Marathon also meets with an independent peer group assessor on a quarterly basis to ensure we are getting the best service and discuss industry trends. If the information is of insufficient quality, the relevant portfolio manager will cease to utilise the provider. This is a rolling update across the entire Investment team.
- **Sustainability research** – ISS ESG provides sustainability-focused data to supplement internal research. Formal review of ISS takes place at least every six months to assess services provided, discuss any service issues and consider areas of future change. Service is expected to be accurate, of good quality and readily-available.
- **Proxy voting services –** ISS provide proxy voting services via ProxyExchange. This system enables Marathon to manage up-coming votes and review ISS research as part of Marathon's voting procedures. In addition to quarterly reviews by Risk to ensure timely and accurate execution of proxy votes in accordance with Marathon's instructions, Marathon undertakes regular reviews of ISS by relevant Operations and Compliance teams, with a minimum of two formal meetings per annum. These meetings will discuss any issues identified over the period, discuss upcoming changes at the service provider or in the industry (e.g. changes to proxy voting requirements in the US) and look to see if the inherent conflicts at providers such as ISS are being appropriately managed. As part of this review, Compliance expects to review relevant conflict policies and codes of conduct for the provider. No issues were experienced in the period under review.

These services have been selected after a comprehensive review of the market in respect of potential service providers. Each has been assessed at the outset of our relationship with regard to the quality and breadth of information and services provided, alongside provision of relevant due diligence materials on the stability of the firm in question and their controls in place. The services provided are compared to the perceived needs of the business. As regulatory and client requirements have evolved, our regular meetings with service providers have enabled Marathon to express changing needs to the provider and for the provider to discuss new or expanded services and options with us. At relevant intervals, Marathon will also consider other alternative providers to ensure that the service provided is still in-line with market best practice. To date, this has worked well to ensure that Marathon has sufficient access to relevant information which, in turn, allows us to have faith that our stewardship decisions are robust e.g. as evidenced by a move from MSCI to ISS ESG research in 2022. Should there be any material issues or concerns with service providers, Marathon would look to raise in the first instance with the service provider themselves, giving an opportunity to improve the service. If this was not resolved, Marathon would look to undertake a tender process to identify an alternate provider, or determine whether such a provider was still required, in-line with the firm's *Outsourcing Guide*.

Marathon's oversight of these and other enablers seeks to drive better performance for the benefit of the business and our clients and ensures these service providers continue to meet our expectations.

Principle 9

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

> "Voting thoughtfully, engaging actively and, where necessary, escalating forcefully are, we believe, core investment duties. At Marathon, we see ourselves as company owners. We are not price speculators or passive shareholders. We seek out and buy into companies which we believe have the characteristics that will help them to thrive in the future.
>
> We will make our views known, and in proxy voting, as owners, we will approve or reject proposals based on whether they best meet our expectations in terms of business strategy, capital policy, and non-financial factors that contribute most to the long-term structural enhancement of asset value, without being overly constrained by formal criteria."

Masanaga Kono, Japan Research Representative, Analyst

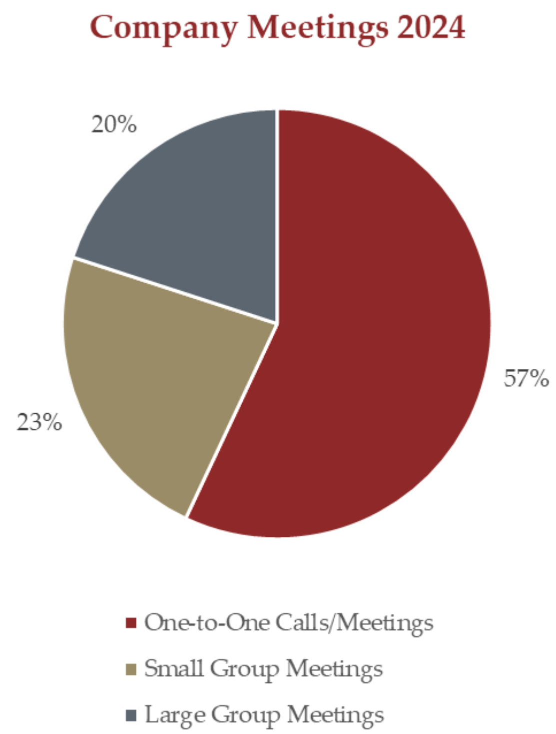
Whilst Marathon's primary focus is finding companies that it believes are able to generate returns over the longer term, Marathon remains committed to confronting important corporate issues in pursuing superior outcomes for its clients. Marathon has developed well informed and precise objectives for engagement. The approach taken is the same for all holdings globally; where, in our assessment, there are actions which could be taken by the management/board of a business to improve the value of shares in the long-term, Marathon will discuss this with management. To this end Marathon has clear and well-established protocols for when escalation of engagement may be triggered. In the first instance Marathon's preference is to engage privately with company management as part of the close and continuous interaction process discussed herein. This would usually involve direct contact with the relevant executives within a company's management structure to understand better strategic plans and intended future capital allocations. Our approach is further articulated in our response to the second Shareholder Rights Directive, which can be found on the Marathon website HERE and in the Sustainability Report HERE.

Marathon employs a small, yet highly effective and experienced, investment team, many of whom have been engaging with company management teams for decades. The Marathon team seeks to understand fully the individual dynamics of each business in which they invest; with Marathon's engagement intended to meet both best practice and business needs whilst being aware of local norms. For example, European companies typically expect regular meetings with investment firms like Marathon in a manner that may not be matched in other jurisdictions. We believe that there are often shades of grey in governance; what is most suitable for one business may not work well elsewhere, due to various factors including corporate structure, jurisdiction, regulatory or legal environment and even the particular experience and expertise of the individuals involved in managing the company. As a result, rather than applying a set of absolute rules or a prescribed "decision-tree" approach to engagement, portfolio managers use their own judgement and knowledge in engagement and voting to push for those improvements which, in their view, are most likely to lead to long-term value creation in an investment.

In addition to the London-based portfolio managers, Tokyo-based Masa Kono's primary role is to interact with Japanese company management on behalf of Marathon; encouraging them to focus on long-term returns, allocate capital effectively and make appropriate levels of pay-outs to shareholders. Corporate governance in Japan has often been designed to maintain the power or prestige of company management at the expense of shareholders. This has been gradually changing for decades, but was given particular impetus in 2014 when Japan published its own Stewardship Code. Whilst all portfolio managers interact with firms globally, the scale of the challenge in Japan warrants the use of a dedicated, locally-based, native-language speaking expert. To this end, Marathon also has a locally-based Emerging Markets investment analyst in Hong Kong to add further strength to the roster of Marathon's capabilities in this region.

Nevertheless, despite this regular interaction, should Marathon have concerns with company performance or management quality and where it appears necessary to protect and enhance our clients' long-term investment returns, then consideration will be given to escalating engagement and stewardship activities. This could involve a range of actions including directly raising the issue or concern with the relevant executives, company board or chairman through to leading or participation in initiatives with other investors. Likewise, Marathon also seeks to engage with non-executive directors of the companies in which we invest on behalf of our clients as part of encouraging a shareholder-friendly outcome. Indeed, the numerous meeting notes and correspondence surrounding this type of activity is further testimony to the importance that Marathon places on all aspects of corporate governance ideally addressing issues early and limiting the need for escalation. As outlined in Principle 6, Marathon is a long-term investor and therefore prefers to take this collaborative, rather than deliberately combative, approach with issuers as we have found issuers are typically more responsive to this approach. Issuer management are aware that Marathon is equally vested in ensuring the sustainability of an investee company to ensure long-term outperformance for clients, therefore they are more inclined to ask opinions and value Marathon's feedback on areas for improvement.

Marathon's commitment to stewardship engagement can in part be evidenced via the company and broker research engagements which occurred in 2024; and which involved the investment team making over 2,250 meetings with company management primarily via one-to-one engagements. This aligns with Marathon's Purpose, Vision and Values, outlined in Principle 1, where personnel are expected to



demonstrate intellectual curiosity and question the readily-available market research on investee companies.

Marathon will take account of social, environmental and ethical issues relating to the conduct of a company to the extent that they are likely to impact shareholder value negatively. For example, a company polluting the environment may ultimately be forced to fund clean-up operations, which could negatively affect its cash flow. However, there may be an opportunity to invest in such a business if there is the likelihood that changes will reduce these risks and lead to a re-rating in the market.

One example of this is Vistra, one of the largest electricity generators in North America, which we highlighted in our previous 2023 Stewardship Code response. The company has been pivoting away from its legacy assets, having already closed most of its coal plants. There are two remaining plants scheduled to close by 2030 and, as a result of this remaining coal exposure, the company's shares have been heavily penalized by the market in terms of a valuation discount. Marathon thus met with management in November 2022 to encourage accelerated closure of these plants beyond the stated timeline. The firm has since announced their proposed acquisition of Energy Harbor. If approved, this adds two more nuclear facilities to their asset base which will be placed, together with its existing nuclear asset, its entire retail business and all solar assets, into a new division called 'Vistra Vision', which will be entirely carbon-free, and by 2025 will account for more than half of company profits. The remaining generation assets will be part of 'Vistra Tradition'. This demonstrated a concerted effort to transition towards net zero, the discount applied to the shares narrowed as a result and the position was sold in late 2023.

Marathon may also consider joining a class action on behalf of our clients where we see value has been destroyed and where an investment decision has been taken potentially based on false or misleading information. As at 30th April 2025, Marathon is currently part of six class actions in relation to past holdings for which we believe that compensation is owed by corporations for providing misleading or demonstrably false information to the market.

Separately, Marathon is committed to confronting important corporate issues to achieve the best outcome for our client base. Occasionally, this may involve acting in accordance with fellow shareholders, however collaborative engagement is not usually Marathon's preferred approach. While we recognise the potential benefits of working alongside other long-term investors on policy and company specific matters, previous experience has highlighted the inefficiencies and challenges of acting collectively with other institutional shareholders. In particular the complexities of agreeing a collective opinion to effect particular change is a challenge; especially where different parties hold conflicting views on a situation. Collective action is therefore not our preferred approach as the constraints of such a process may not be in our clients' best interests. Consequently, Marathon will only participate in collective engagement as part of the process of escalation of a critical issue which could have a material impact on shareholder value and where such a process is more likely to lead to a successful outcome.

Marathon may also provide feedback to a company surrounding a proxy vote in terms of whether Marathon is planning to either vote for or against management. Such feedback is provided on a case by case basis depending on the type of entity and term of relationship. Likewise, Marathon may also choose to provide feedback on a purely reactive basis depending on the company involved and its place within the capital cycle.

One example of this was CRH, an Ireland-based, UK-listed buildings material firm, which we highlighted in our previous 2023 Stewardship Code response. CRH had been talking about moving to a US-listing for some time, pointing out that US-listed peers traded at higher multiples than European-listed companies. While this is true, it seems to be the case for all industries, and the Marathon investment team was more concerned with the potential changes to governance that would be permitted due to the change in listing, to the long-term detriment of the business. As a result over several meetings, Marathon portfolio managers expressed their reluctance to endorse such a move and voted against the change when the opportunity was presented.

If a concern relates to systemic market failure, falls within a wider thematic issue, or is related to an urgent crisis scenario then Marathon may also discuss the matter with the appropriate regulatory and corporate institutions or trade associations, as appropriate. In extremis, Marathon may also consider whether clients' interest may be better served by exiting from an investment, although this is not generally our favoured route.

Principle 10

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

> " Meeting with management, discussing the business, and raising questions about long-term sustainability is core to Marathon's approach. A requirement of this approach is that we act in a way that is trusted, predictable and well understood by company management. Our approach does not assume that we know better how a business should be run and hence we do not see ourselves as activists lobbying for a particular course of action. Nevertheless, there may be occasional circumstances in which we feel our clients' interests are threatened by management behaviour and Marathon has worked with other stakeholders to press for change successfully from time-to-time."

Charles Carter, Managing Director and European Portfolio Manager

The majority of engagement undertaken by Marathon is direct and private. An important part of Marathon's philosophy focuses on regular interaction and ongoing dialogue with management. The Investment team conduct a large number of company meetings every year. The aim of these company meetings is to assess a range of factors including the business model and corporate strategy; operating performance; management competence and incentives; risk management and governance; as well as the company valuation and future intended capital allocations. Close and continuous analysis of investee companies also ensures a healthy dialogue exists to provide feedback to a company's senior management.

Initially, the identification and selection of investee companies involves a detailed and holistic review of company performance and strategy alongside a thorough understanding of company management, developed by reference to a variety of resources including interaction with investee companies, market news and independent research providers. Thereafter, active stewardship ensures Marathon maintains positions in companies which continue to deliver appropriate growth and shareholder value, key measures by which Marathon effectively monitors investee companies.

Marathon's portfolio managers maintain detailed records of their interaction with company management. These records form an important database of historical analysis and assessments which is then used as part of the investment selection and oversight process. Marathon is also able to leverage the detailed proxy voting records which Marathon maintains on each invested company. Historic voting decisions can be considered and reviewed when considering new matters or elevating issues in order to provide feedback to a company's management or board, especially concerning matters of leadership, effectiveness, accountability, remuneration and stewardship in order to understand any departures from the UK's Corporate Governance Code, or the prevailing governance code of the jurisdiction in which the issuer resides.

Marathon's portfolio managers and investment analysts lead and participate in this company research process. Client shares are then invariably voted by proxy, with decisions taken on a case-by-case basis, taking into consideration all the publicly available information, with these decisions stored electronically.

Marathon also interacts with other investors on an ad-hoc basis through informal links such as investment associations or in response to particular events such as an industry consultation and public policy issues. Our preference with stewardship remains to engage in positive bi-lateral interactions with company management rather than pressuring management through public proclamations or complex multi-lateral campaigns. However, on rare occasions where the matter is viewed as serious and it is in the best interests of our investors, Marathon does seek to work with other investors to escalate the impact of engagement to management.

There have been several examples, both high and low profile, of this over the course of our 37-year history. The process is as follows:

- what Marathon considers to be a significant issue arises or is identified at a holding (this most often relates to a perceived failure of corporate governance);
- Marathon seeks to engage with senior management on the subject, to understand what has happened and to assess whether or not there are mitigating circumstances or a plan to deal with the issue;
- where we do not receive a satisfactory explanation we will lobby the business on the issue;
- we will also seek to discuss the matter with other significant investors in the business in question and,
- where there is also concern expressed by others, we will seek to lobby collectively where this is in the best interest of our clients.

Should the matter not be resolved or addressed by the business, further escalation will occur. It should be noted that the level of collaboration will vary with the situation and could take various forms from an agreement that all concerned parties will raise the same issue at once, through to seeking cooperation to call an EGM or issue a shareholder proposal.

Marathon is also approached from time to time by other investors where they wish to take the lead on corporate engagement. Each approach is assessed on its own merits in respect of the situation and what should be the correct proposed approach to take in future engagement to obtain the desired outcomes.

All such collaboration, whether initiated by Marathon or by another investor, is undertaken by the Investment team under the advice and oversight of the Compliance and Legal teams in order to comply with any possible regulatory issues related to collusion and to manage and mitigate any potential conflict of interest.

As noted, however, Marathon's preference is to engage management on a one-to-one basis. A good example illustrating why Marathon tends not to engage collaboratively other than in extreme circumstance occurred in recent years. Marathon was approached by a large, activist investor in Nisshinbo Holdings in early 2022, when Marathon was the largest external investor, to seek to engage together on certain matters. While the activist was considering several issues which Marathon had already raised with the business, their aims were not entirely aligned with our views and their objective was to engender rapid change rather than necessarily to improve the business for the long-term. As a result, Marathon expressed some sympathies for certain elements of the proposal but declined to collaborate as our objectives and time-frames diverged.

Subsequently, the management of Nisshinbo contacted Marathon in some confusion, as the activist had included our name in the letter they addressed to the company. We had to reassure them that this was a misrepresentation of our position, that we had spoken with the investors in question and expressed sympathy with some points that they had made, but that we did not support the approach they proposed and had declined their request that we engage jointly. Marathon's investment process relies on regular, open discussion between our investment team and company management teams and this event had the potential to impede this ability through confusing the Nisshinbo management team's understanding of our position and damaging the professional trust built between our organisations.

Principle 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

" Marathon takes a nuanced approach to engagement without a prescriptive framework. Through regular interactions, we foster respectful relationships with the management of our investee companies and directly communicate our views, which are usually taken seriously. However, should firms fail to respond appropriately to material concerns that can jeopardise shareholder value, Marathon is able and willing to escalate matters beyond the initial engagement with the specific process dependent on the nature of each issue. Escalation is a key tool for Marathon to ensure that management teams consider the long-term interests of shareholders, and ultimately our clients."

Toma Kobayashi, Japan Portfolio Manager

Marathon prefers to discuss any concerns directly with management, usually as part of the regular private meetings that we have as long-term shareholders. That way, any conversation is held within the context of broader enquiries that we have about the capital cycle, strategy and capital allocation. In the unusual event that we feel our views are not being considered, then we sometimes choose to escalate particular areas of concern by, for example:

- Meeting or writing to the chairman or non-executive directors
- Withholding support or voting against particular resolutions, or management
- Submitting a resolution at a general meeting, or seeking to call an EGM
- Divestment of shares

Occasionally we might choose to collaborate with other investors or express our concerns publicly, but we consider either course to be a last resort. We seek to keep management informed, particularly if we intend to vote against their recommendations. As ever, it is the portfolio manager responsible for the investment who makes the final decision.

One example of escalation occurred very late in the review period and related to UK-based gaming company Playtech Plc. The company disposed of its Italian subsidiary in a trade sale to peer (and Marathon holding) Flutter Entertainment over the course of the period. Subsequent to the sale, Playtech called a special meeting outside of the normal cycle to implement a substantially revised remuneration and incentive plan for senior management following the disposal of the firm's Italian subsidiary. The proposals included; transferring a substantial proportion of the proceeds (not the profits) from the sale into a bonus pool for the senior executives – primarily the CEO – as well as diverting any future sales proceeds to a bonus pool for the management team.

The proposal was, we believe, an unprecedented use of transaction proceeds for a UK-listed company. Worse, the change in policy could incentivise management to sell any part of the business, whether in the best interests of shareholders or not, at almost any price as a proportion of proceeds would be diverted to them as cash. The board recommended the proposal; but the chair of the remuneration committee chose to resign rather than support the proposal. In Marathon's view, the proposal highlighted the weak governance of the business, which has a long history of controversial actions and shareholder dissent as a result. We therefore voted against it and, given years of discussions around poor governance structures and practices had not resulted in improvement, divested the shares.

The approach taken to escalation does not vary geographically; however, it may vary by company culture or according to Marathon's existing relationship. Due to the long-term nature of Marathon's investments, engagement and escalation are usually taken seriously by investee companies. Marathon's policy on stewardship activities is made available to stakeholders at the following website address HERE.

Principle 12

Signatories actively exercise their rights and responsibilities.

> " As a long-term owner of the companies in which we invest, Marathon has always viewed the exercising of all rights held as a central duty. Companies are often complex and nuanced, so the approach we take is equally so; every resolution tabled at each meeting, whether proposed by management or by a shareholder, is considered by the portfolio manager that holds the stock, with the owner of the company taking ownership for the decision of how to vote our shares."

Alex Duffy, Emerging Markets Portfolio Manager

The prominence of the capital cycle and management in Marathon's investment approach makes the ability to vote proxies an inherent component of the investment decision process. We consider ourselves to be active investors rather than activists. The difference, in our view, is that Marathon seeks to invest in businesses believed to have great potential to generate long-term outsized returns for our clients from the outset rather than trying to find companies with problems, buy into them, and then seek to change them to make a return. However, few companies are perfect and we take our responsibility to maximise the long-term benefits to our investors very seriously. Once an investment decision has been made, a duty arises to exercise Marathon's fiduciary responsibility to vote.

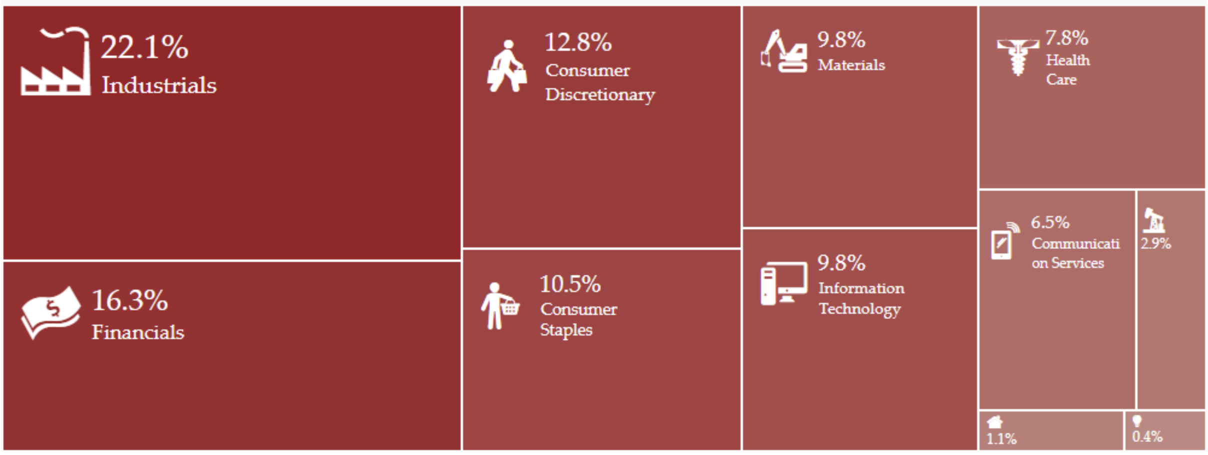
Voting can diverge from the direction of company management, and/or the views presented by ISS, our proxy voting advisor, where Marathon considers it has a better understanding of the specific circumstances surrounding a particular issue. At all times Marathon will ensure proxy decisions are taken in what we believe to be the best interest of our clients, taking into consideration a range of factors such as internally generated research and, where available, data, research and opinions from external stakeholders and sources. In summary, each proxy voting decision is the result of careful judgements on how such matters relate to shareholder value. Marathon will usually vote for or against resolutions but may also abstain depending on the matter under consideration. The same approach is applied globally, to all holdings, to the extent that local rules allow.

The map below illustrates the meetings undertaken by market.

Meetings by Market

Source: ISS

Meetings by Sector



Source: ISS; untitled sectors include Energy (2.9%), Real Estate (1.1%) and Utilities (0.4%).

Marathon's proxy policy on voting is available at the following website address: HERE. This policy summarises Marathon's approach to voting and disclosure. The firm's full voting record is also available at the same location, with a 180-day lag.

Marathon's portfolio managers remain directly responsible for proxy voting decisions ensuring customers are treated fairly and the right outcomes are achieved by company management. Marathon considers that the ability to influence management is an integral part of the investment management function. Consequently, all voting decisions are passed to the relevant portfolio manager for their review and sign-off.

Marathon will ordinarily vote by proxy all shares where the voting discretion has been delegated by clients but may on occasion be restricted from voting all delegated proxies where for instance a particular client separately operates a stock lending programme and the relevant securities are not available, or where the costs or challenges of voting make it not in the clients' best interest. In such circumstances Marathon will work with our clients to recall shares or unblock custodial limitations etc, especially where there is a controversial issue to be voted on. In contrast, Marathon does not lend stock on behalf of our affiliated collective investment vehicles so all underlying shares are always available for voting.

Marathon uses the recommendations prepared by ISS, a specialist proxy voting advisor. In addition to providing advice on specific policy voting issues, ISS also coordinate the actual exercise of the proxy vote. This entails receiving voting instructions from Marathon and transmitting them to each of the clients' custodian for processing.

ISS provide a full reporting facility to Marathon detailing voting recommendations and actual votes transmitted to custodians. The information available from the ISS system, and the link between our own systems and the ISS system, permits Marathon to closely monitor both when we are entitled to vote and that the votes are processed in accordance with any instructions we provide that goes against ISS's own guidance.

As previously explained, Marathon does not apply blanket rules or a "decision tree" approach to proxy voting. Portfolio managers make their own decisions based on their knowledge of the company, the management team and the issues involved, in line with Marathon's proxy voting policy and principles. Marathon receives recommendations from ISS on issues ranging from remuneration to board appointments to dividends; however, Marathon is comfortable voting against these recommendations when it believes it is in the best interest of shareholders to do so. Where a portfolio manager decides to vote against ISS recommendations, a note of the rationale for doing so is kept. Such instances are relatively infrequent but reflect the fact that ISS often applies universal rules for decision making, such as maximum tenures for directors, absolute requirements for separation of Chairman and CEO roles etc. While useful guidelines, these rules may not be appropriate in every instance where a more detailed understanding of a business may have occurred via our ongoing meetings with issuers; for example, it can be appropriate to have some longstanding board members to provide continuity of approach and depth of experience, or a founder may be best placed to act as both CEO and Chairman of a business, at least for a time. A copy of the ISS Proxy Voting Guidelines can be provided on request.

Input will be sought from public sources and engagement with companies and their advisors, where necessary as part of the decision-making process. Marathon also works with ISS to gather information on company meetings and help formulate voting recommendations. Notwithstanding the involvement of ISS, Marathon maintains responsibility for any final voting instruction on the basis of all information available to us.

Marathon can purchase, on behalf of our clients, large stakes in investee companies; with the ability to vote on these stakes in order to influence management being of the utmost importance. Votes are considered on a company-by-company basis.

Marathon's voting process then involves the appropriate investment teams discussing the relevant voting options and, except on extremely rare occasions, Marathon will adopt a single voting position, taking into consideration all relevant factors, across all applicable funds and client accounts where Marathon has been granted voting control.

Once a decision has been made, Marathon may share its views on a forthcoming vote with company management or directly with the board in order to provide feedback and support to a company. However, the actual voting activity by itself remains only a formal part of the wider ongoing dialogue between Marathon and the investee company.

It should be noted that Marathon does not offer clients the ability to override or direct voting decisions. Where clients have their own policies, they may decide not to give Marathon voting authority and exercise their own proxies. Having said that, very occasionally clients have contacted Marathon about a particular vote and provided a strong view on their preferences. These views are conveyed to the portfolio managers, along with a consideration of potential conflicts of interest, and will be considered. The client may be contacted by the portfolio manager to discuss their views further, and any such discussion will feed into the ultimate decision. Ultimately, the decision will be taken by the portfolio manager in accordance with their view of the best approach to maximise long-term client outcomes.

Voting process

In addition to providing advice on specific policy voting issues, ISS also coordinate the actual exercise of the proxy vote. This entails receiving voting instructions from Marathon and transmitting them to each clients' custodian for processing.

Marathon's proxy team have access to the ISS web platform where ballots are collated from each custodian and linked to the appropriate meeting. These meetings are monitored and recorded in a central spreadsheet. Once the research has been updated, it is sent to the portfolio manager to solicit their response by the stated deadline. From time to time, proxy votes will be solicited which involves special circumstances and require additional research and discussion. Any additional discussion may be conducted as soon as practical and with best endeavours before the ballot deadlines.

There may, from time to time, be instances when votes cast by Marathon on a client's behalf are rejected. This could be for various reasons outside of Marathon's control; including missing documentation that needs to be provided by the beneficial owner, for example, there are some countries that require Power of Attorney documentation which authorises a local agent to facilitate the voting instruction on behalf of the client in the local market. If the appropriate documentation is not available for use, a vote instruction may be rejected. On a best efforts basis, Marathon requests custodians to provide a list of missing Powers of Attorney for each of our clients on an annual basis to avoid these issues.

Quarterly checks are also completed across different markets and mandates to ensure ballots are being received from the custodian.

Examples of voting

We provide three examples below of voting over the period where our approach has been notable:

Great Eastern Holdings (Singapore) *April 2024*

Marathon voted against the election of two company Directors, against both ISS and company management recommendations. Given a lack of concern for minority shareholders' interests and an inadequate response to proposals by minority shareholders to tabled resolutions at the firm's Annual General Meeting, Marathon's investment team felt a vote against certain incumbent directors was appropriate, namely Ng Chee Peng, who had been in place for three years, and Lee Kok Keng, formerly Chief Marketing Officer, who was not independent as they were claiming him to be.

Despite all proposals passing, with in excess of 98% support, Marathon will continue to make the case for greater consideration of smaller shareholders and stronger, more independent governance wherever possible.

Flutter Entertainment (US-listed, Ireland-based) *May 2024*

Marathon voted against two proposals related to the transfer of the firm's listing from the London Stock Exchange to the New York Stock Exchange, which was at odds with both ISS and company management recommendations.

Flutter had been considering a move of listing from London to New York for some time. The rationale was - essentially – "American Market Exceptionalism"; that shares command a higher valuation on the US exchanges.

While Marathon could see that appeared to be the case at the time, our view of equity investment is that we are owners of a business rather than holders of a speculative asset; the prospect of a windfall was attractive to those that wanted to sell out of their holding; however, our team viewed the position in Flutter as a long-term opportunity and were concerned by the prospect of the company moving its listing to a market in which it had a comparatively small foot print. We also view the "Exceptionalism" argument as spurious over the long-term; we believe that - barring barriers and inefficiencies - markets should value an opportunity similarly over a medium- to long-term time horizon. Therefore, any relative uptick in share price would be likely to be transitory, and ongoing holders would face a period of retrenchment and underperformance.

Other than the prospect of a rapid revaluation of a stock we hold for its compounding growth potential, we saw no advantage to the change in listing venue and voted against, although we were aware that most holders would prefer the prospect of short term gain.

Despite the proposals passing, with over 98% support, Marathon will continue to oppose short-term focused decisions by companies.

Toyo Seikan Group Holdings (Japan) *June 2024*

Marathon voted for the election of Director Ichio Otsuka, in line with management but against ISS recommendations. ISS traditionally recommends voting against the re-election of the senior director at any company that has a Return of Equity (ROE) of less than 5% over the previous financial year, and that was the case here.

Marathon, however, knows the company well, and it has been making steady process in improving capital efficiency over the past several years; however, various factors impacted the firm in the last fiscal year and ROE fell to below 5%. It is Marathon's view that the company is doing the right things to improve the situation in the long run, but may be subject to circumstances which impact the ROE calculation over any given fiscal year. As we believe that Mr Otsuka's approach is comparatively shareholder friendly and that the low ROE had been caused predominantly by external factors and the timing of the calculation period, we were happy to support his re-election; the proposal subsequently passing with over 92% support.

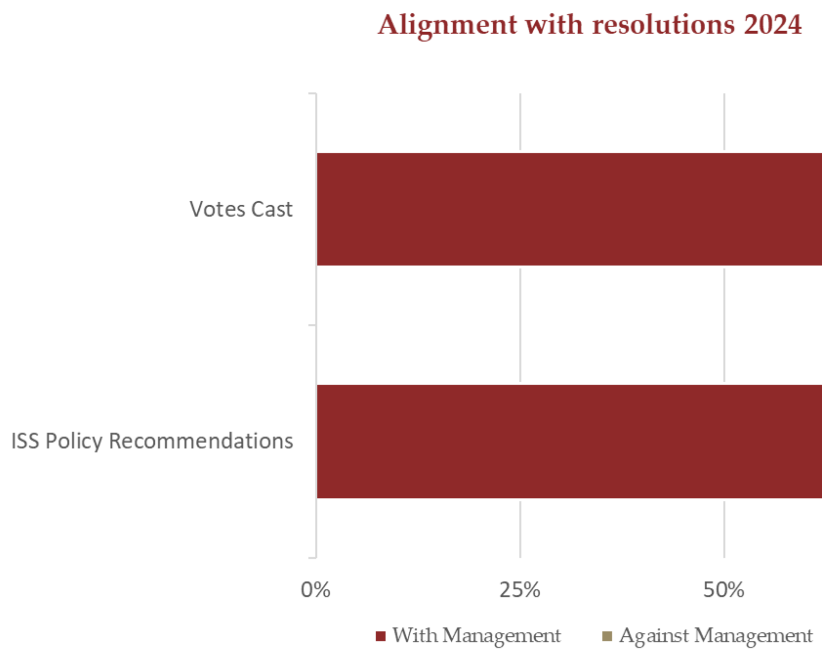
Overview of voting by Marathon across all products in 2024

Over 2024, Marathon voted at 399 meetings out of 399.

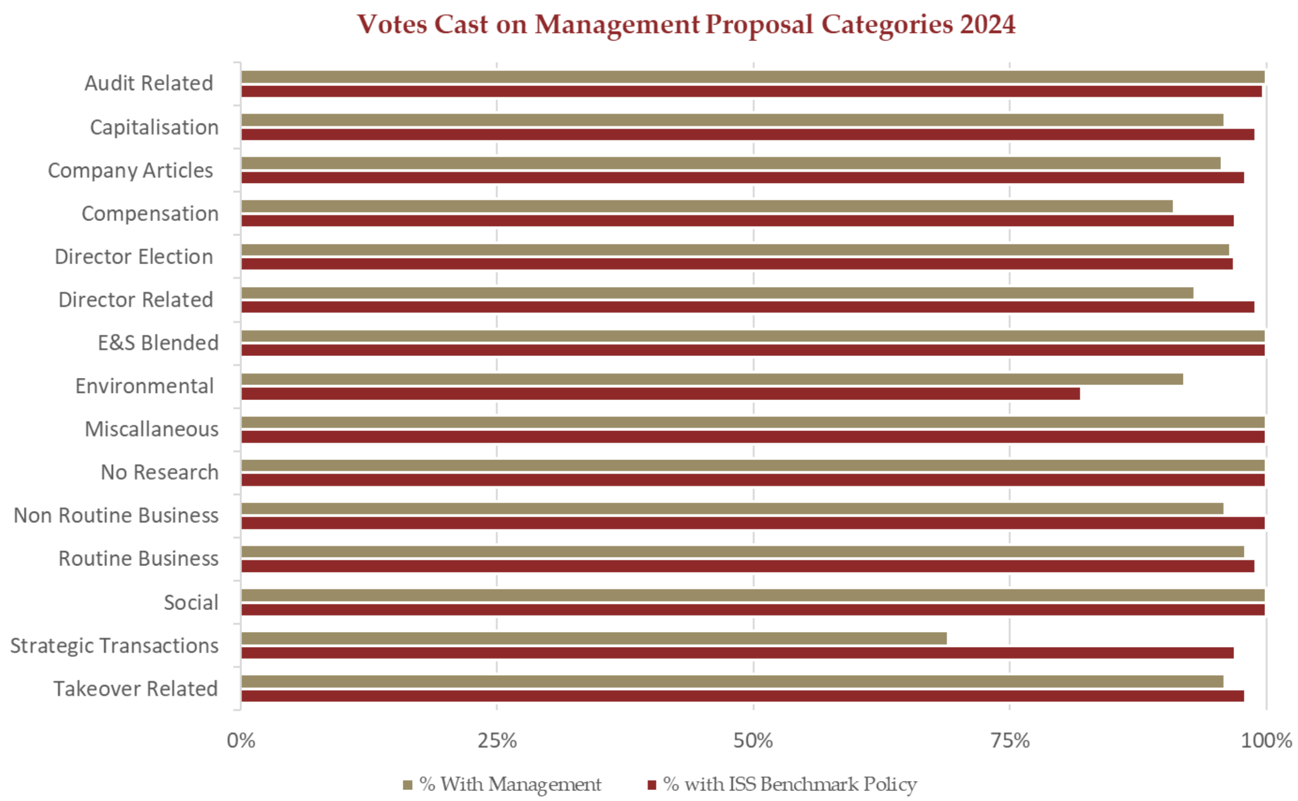
Set out below are the aggregated annual voting records for each major kind of proposal from 2023:	With Mgmt	Against Mgmt	With ISS	Against ISS
Management proposal: Audit Related	318	0	318	0
Management proposal: Capitalisation	484	21	502	3
Management proposal: Company Articles	90	4	92	2
Management proposal: Compensation	561	57	598	20
Management proposal: Director Election	2824	95	2821	98
Management proposal: Director Related	364	27	387	4
Management proposal: Environmental/Social Blend	8	0	8	0
Management proposal: Environmental	9	2	9	2
Management proposal: Miscellaneous	31	0	31	0
Management proposal: No Research	3	0	3	0
Management proposal: Non-Routine Business	27	1	28	0
Management proposal: Routine Business	486	9	491	4
Management proposal: Social	40	0	40	0
Management proposal: Strategic Transactions	24	11	34	1
Management proposal: Takeover Related	63	1	63	1
Shareholder Proposal: Audit Related	3	0	3	0
Shareholder Proposal: Company Articles	1	0	1	0
Shareholder Proposal: Compensation	5	1	6	0
Shareholder Proposal: Corporate Governance	1	9	10	0
Shareholder Proposal: Director Election	15	0	15	0
Shareholder Proposal: Director Related	5	1	6	0
Shareholder Proposal: Environmental/Social Blend	7	2	9	0
Shareholder Proposal: Environmental	17	1	18	0
Shareholder Proposal: Miscellaneous	6	1	6	1
Shareholder Proposal: Non-Routine Business	2	4	6	0
Shareholder Proposal: Routine Business	3	4	7	0
Shareholder Proposal: Social	20	16	36	0

Source: ISS

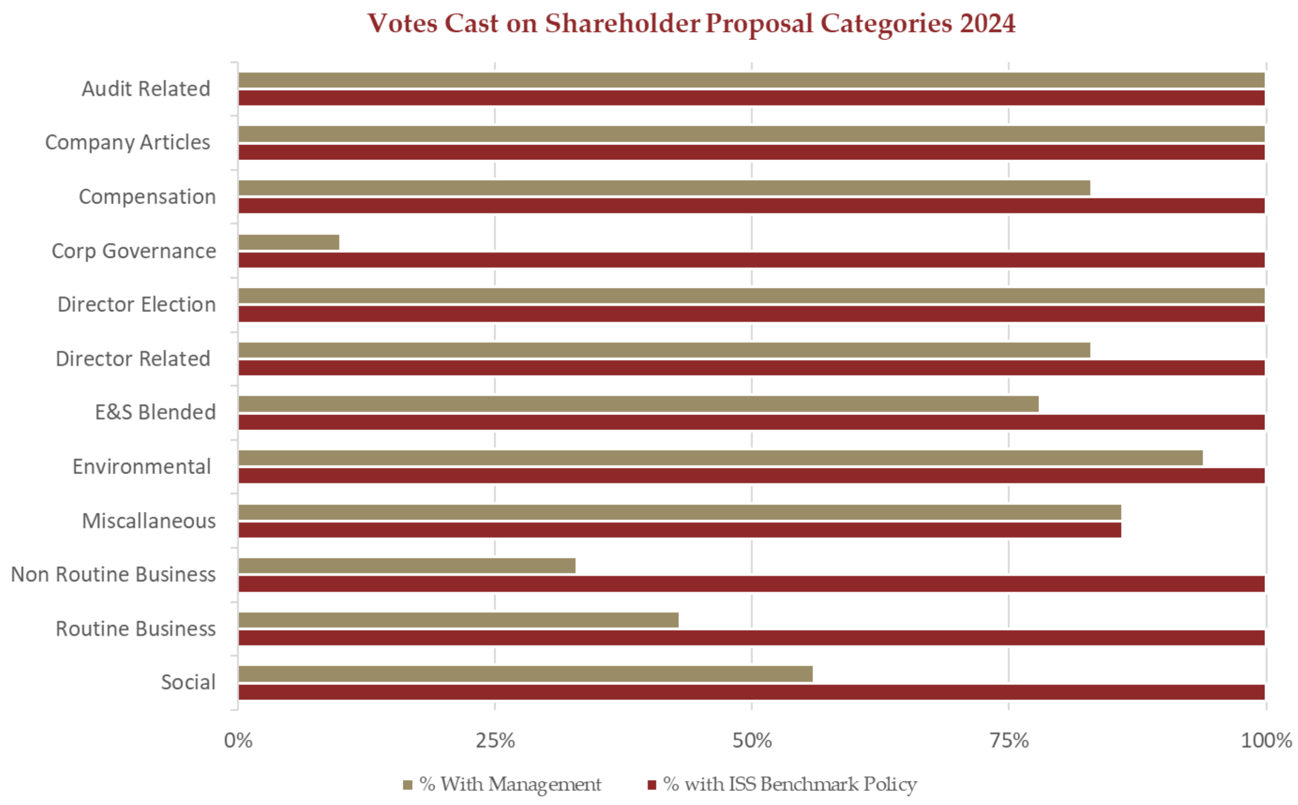
Marathon's clients can obtain detailed data around voting relating to their specific account(s) on request.



Source: ISS



Source: ISS


Votes Cast on Shareholder Proposal Categories 2024
Audit Related
Company Articles
Compensation
Corp Governance
Director Election
Director Related
E&S Blended
Environmental
Miscallaneous
Non Routine Business
Routine Business
Social
0%
25%
50%
75%
100%
% With Management
% with ISS Benchmark Policy

Source: ISS

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Stock examples, where included, demonstrate an investment theme or process. They do not represent all of the securities purchased, sold or recommended for advisory clients over the last year. No assumption should be made that investment in any security listed were or will be profitable nor will this fully represent a client's investment experience. Where Marathon provides illustrative data in respect of a strategy, this may be based on one or more selected Marathon client accounts (with multiple data sets linked) to create the representative account.

Information provided does not constitute and should not be relied upon as investment advice nor any other advice; and may be based on research which has been acted on by Marathon or its employees for their own purposes. It also does not constitute an offer or solicitation to acquire units in a collective investment scheme to anyone to whom it would be unlawful to make such an offer or solicitation under applicable law and regulation. Marathon is not a fiduciary with respect to any person or plan by reason of providing this document. Recipients should carefully consider their own circumstances in assessing any potential investment course of action and consult their advisors accordingly; referring to relevant fund prospectuses, offering memorandums, key information documents or investment advisory agreements prior to making any final investment decisions. Please note that whilst this information has been prepared using best available data, Marathon assumes no responsibility for the consequences of any investment decisions made in reliance upon it. Where information contains data provided or derived from third parties and/or is data that may have been categorised or otherwise reported based upon client direction – Marathon assumes no responsibility for the accuracy, timeliness or completeness of any such information..