Aristotle
CAPITAL MANAGEMENT

Stewardship Policy

CONTENTS

Aristotle Capital's approach to Stewardship is guided by the principles outlined in the 2020 UK Stewardship Code.

Purpose and Governance

Purpose and Values

Our Purpose

We enable our clients to achieve their individual missions.

The name Aristotle (Greek name Aristotélēs) means "the best purpose," which is derived from the words aristos (best) and telos (purpose). At Aristotle*, our best purpose is to enable our clients to achieve their individual missions. Whether it is fulfilling the distribution needs of a pension plan, the funding goals of a university, the yearly distributions of a foundation, or the retirement objectives of an individual, we are inspired by the impact that our disciplined investment processes can have in fueling the aspirations of our clients.

- **Clients:** Our first and primary responsibility is to our clients. We believe this is the foundation for our success.
- **Employees:** We are committed to creating a culture of honesty, hard work and integrity and fostering a setting that spurs intellectual growth.
- **Community:** We commit time, talent and resources to give back to our local communities.
- **Firm:** We collaborate with the common goal of meeting our clients' needs and achieving our company's purpose.

Our Values

1. **We place our clients' interests first.** Our first and primary responsibility is to our clients. This is the foundation for our success.
2. **We act with integrity.** We hold ourselves to the highest moral and ethical standards. We are steadfast in our commitment to integrity.
3. **We achieve excellence through accountability and collaboration.** We strive for excellence in our daily activities and aim to provide our clients a quality experience. We hold ourselves accountable for our mistakes and learn from them. We collaborate with the common goal of meeting our clients' needs and achieving our company's purpose.
4. **We empower our employees.** Our employees are our most important asset. We will reward quality customer service, problem solving, and implementation of improved processes that strengthen the organization. We welcome innovation and continuous improvement.
5. **We are respectful.** We encourage a culture of mutual respect, where we value diversity, strive for inclusion, and spur intellectual growth.
6. **We value community.** We strive to make a meaningful difference as an active participant in our communities.

* The term "Aristotle" is used to represent the family of affiliates which is comprised of Aristotle Capital Management, LLC (Aristotle Capital), Aristotle Capital Boston, LLC (Aristotle Boston), Aristotle Credit Partners, LLC (Aristotle Credit), Aristotle Atlantic Partners, LLC (Aristotle Atlantic), Aristotle Pacific Capital, LLC (Aristotle Pacific), and Aristotle Investment Services, LLC (Aristotle Investment Services); which collectively operate under a unified platform known as Aristotle. Each firm is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended.

Governance, Resources and Incentives

We fulfill our primary responsibility to our clients by ensuring we maintain a diverse, engaged workforce. Our employees are our greatest asset, and we rely on them to make the right choices. We foster a culture of honesty that encourages collaboration, hard work, integrity and that spurs intellectual growth.

Our compensation structure seeks to align our interests with those of our clients, with personnel across departments holding ownership in the firm, including the majority of our investment professionals. Our firm has a formal written Compliance Manual and we have adopted our own Code of Ethics for employees, as required by the Investment Advisers Act of 1940, as amended. The firm also follows the CFA Institute's Code of Ethics and Standards for Professional Conduct.

The firm provides new employees with training and documentation with respect to the policies and procedures detailed in the Compliance Manual and Code of Ethics. All new employees and access persons are required to complete certifications attesting to their receipt and understanding of the firm's Code of Ethics and compliance policies and procedures. Thereafter, employees complete compliance certifications on a quarterly basis.

The Chief Compliance Officer (CCO) provides notice to all employees when material updates are made to the Code of Ethics and Compliance Manual and when annual amendments are made. Compliance-related training is generally held on-site, via a web class and/or sent via electronic mail for self-study. On-site compliance training is also supplemented with targeted training received via conferences and workshops sponsored by external vendors. All compliance meetings attended by employees are documented for our files.

Conflicts of Interest

All employees are expected to behave as fiduciaries with respect to our clients. This means that each must render disinterested advice, protect client assets (including clients' personal data) and always act in the clients' best interest. We also strive to identify and avoid conflicts of interest.

All employees are subject to the policies and procedures outlined in the firm's Compliance Manual and Code of Ethics. The Compliance Manual addresses specific risk controls and procedures that guide the firm's processes. In addition, our Chief Financial Officer/Chief Operating Officer and Chief Compliance Officer are responsible for identifying and managing conflicts of interest. Below are areas outlined as potential conflicts of interest and how we address them.

- **Insider/Personal Trading**: The firm requires disclosure of all material relationships or financial arrangements (e.g. Outside Business Activities). Employees are required to pre-clear all personal trades in reportable securities and the firm monitors all personal trading activity to match pre-clearance actions. The firm also requires employees to disclose when presented with non-public information.
- **Proxy Voting**: Our firm requires disclosure to Compliance of any officer, senior executive or director positions held by employees, their spouses or close relatives at outside and public firms.
- **Side-by-Side Management of Private Funds / Performance-Based Fee Arrangements:** Differing fee arrangements increase the risk that higher fee-paying accounts may receive priority over other accounts during the allocation process. Aristotle mitigates these risks by implementing procedures, such as blocking trades, maintaining proper written records with respect to allocations, and allocating at average price. These procedures are designed and implemented to ensure that all clients are treated fairly and equally, and to prevent conflicts from influencing the allocation of investment opportunities among clients.
- **Trade Allocation and Best Execution**: We employ pro-rata allocation methods and block trading to provide best execution services to clients for all trades executed by the firm. Our Trade Practices Committee meets quarterly to review best execution.
- **Gifts, Rebates, Contributions or Other Payments of or to Employees**: The firm requires employees to receive pre-approval and/or disclose (based on the gift amount) and/or decline gifts or payments at certain levels to maintain good business practices and ensure that procedures for the Code of Ethics are being followed.

Employees must complete certification of the Compliance Manual and Code of Ethics on an annual basis as well as any time an update to either document is made. Any potential conflicts of interest must be disclosed to the Chief Compliance Officer.

Promoting Well-Functioning Markets

We believe our long-term and quality-focused approach, both in our investment process and engagement with the companies in which we invest, is an important part of how we make responsible investment decisions. Our disciplined investment approach is designed to realize value over an investment horizon of typically five years. We believe a long-term perspective allows us to maintain consistency in our process. As such, we do not react to short-term events and instead take our time to truly understand a company's key attributes, risks, opportunities, value drivers, and catalysts. Our long-term thinking distinguishes us and helps us identify companies that possess sustainable competitive advantages, which we believe will allow them to outperform their peers over a full market cycle. Our investment decisions are the result of years (*sometimes decades*) of work by our team to understand the long-term sustainability of business models and the impact on future investment risks and returns. Due to this long-term horizon, turnover in the portfolio has historically been low.

We define risk as the permanent loss of capital. Mitigating the risk of a permanent loss of capital is an important consideration during our research and portfolio construction processes. We manage nonsystematic portfolio risk through our efforts to:

- Focus on what we believe to be high-quality businesses;
- Fully understand the businesses in which we invest;
- Invest in companies trading at meaningful discounts to our estimation of fair value;
- Diversify the portfolio; and
- Rigorously apply our sell discipline.

Additionally, the Investment Risk Committee adds a layer of risk monitoring to ensure strategy guidelines are met and understand portfolio risk exposures so that unintended risks are not being taken. The Committee meets quarterly and communicates with the Portfolio Managers to go over such risk aspects. The Committee also reports any key findings to the Operating Committee.

Review and Assurance

We review our policies to ensure they meet our clients' effective stewardship activities and needs. We listen to our clients' feedback and incorporate it as necessary. We believe that maintaining an open dialogue with our clients is the best way to ensure we meet their needs with a long-term horizon in mind.

Investment Approach

Client Beneficiary Needs

Our firm has a long history of partnering with our clients. Client Portfolio Managers, for instance, meet regularly with clients (and/or their intermediaries) not only to keep them informed about their portfolios and our firm, but also to understand their evolving needs and requirements. We believe we have been able to retain a large number of clients for many years (in some cases, decades) thanks to our client-centric focus, our long-term investment approach, and our passion for researching businesses (rather than trading stocks).

The creation of the Sustainability Team, and our progress since then, was prompted years ago by several discussions with clients and a careful internal review. Our conversations with clients led us to consider becoming PRI signatories, advocate for the use of various standardized frameworks, and engage with companies on notable controversies and progress on sustainability goals. In recent years, such conversations led us to begin tracking and assessing emissions and to incorporate a materiality framework in our process. We will continue to support our clients, incorporate feedback, and report our progress regularly as the ESG landscape evolves.

Stewardship, Responsible Investment and Climate

Approach to Responsible Investing

We consider environmental, social and governance factors as part of our analysis of the quality and *sustainability* of a business. We believe that over the long-term, *sustainability* and ESG considerations can be strongly interconnected and can have an impact on returns and potential risks of the companies in which we invest. While today many of these important topics are labeled by others as “ESG factors”, our investment team has long held these factors as essential to long-term business sustainability.

Our Sustainability Team provides an additional overlay by working together with the Investment Team to identify areas of strength and/or weakness in the companies in which we invest by assessing material risks and opportunities related to the environment, social issues and governance. The team is led by our firm’s Co-Chief Investment Officer and includes members of the Investment Team (including portfolio managers), Client Portfolio Management Team and members from other areas of the firm. The Sustainability Team has a direct line of communication to Aristotle Capital’s board of managers and other senior members of our firm.

Climate Considerations

The current and future effects of global climate change can pose significant risks to the long-term financial performance of our portfolio holdings. At Aristotle Capital we seek to understand any potential impacts at the individual company level. Our investment approach considers important climate-related risks and opportunities, such as emerging technologies and energy efficiency, in our analysis of the long-term sustainability of a business. We also incorporate a third-party portfolio carbon tracking solution for improved emissions calculation and data coverage.

Additionally, members of the Sustainability Team identify and monitor climate risks and opportunities that may impact our current holdings. During our engagements with companies, climate targets and various sustainability goals (as well as progress on those goals) are discussed and tracked. This information is shared with the Investment Team to further our understanding of the businesses in our portfolios.

Monitoring Service Providers

Aristotle Capital engages various vendors to assist the firm in providing services to clients. As a fiduciary, Aristotle Capital is responsible for prudently selecting and maintaining vendors. Accordingly, vendors deemed to be critical to the operations of Aristotle Capital must undergo initial and periodic due diligence reviews. Generally, a vendor is deemed be a key vendor if: (1) the vendor has access to nonpublic, sensitive or confidential information; and or (2) provides products and/or services that are critical to Aristotle Capital in conducting its day-to-day business or in meeting its legal or contractual obligations. Aristotle Capital takes steps to select key vendors to safeguard client information and secure Aristotle Capital's critical systems from misuse, disruption and unauthorized access.

The CCO is responsible for the Vendor Management Working Group (the "Vendor Management Group") and overseeing the implementation of this policy. The Vendor Management Group generally consists of members of the Compliance Team and/or such other employees designated by the CCO, including the CRO, CTO and other senior employee(s) responsible for acquiring and overseeing the vendor.

Initial Due Diligence and Approval: Prior to engaging a new service provider, Aristotle Capital will review potential vendors for the procurement of services by assessing the vendor for ability to provide services, secure the firm's data and information, maintain and follow compliance policies and procedures and respond appropriately to business interruptions or breaches.

If the vendor is approved, the service agreement will be executed by an authorized agent of Aristotle Capital. If the vendor is deemed to be critical to the business operations of the firm or have access to client or firm sensitive data, the Vendor Management Group will add the vendor to the firm's approved key vendor list.

Ongoing Due Diligence: Aristotle Capital will periodically query key vendors to ensure that they maintain a high level of security and adhere to contractual obligations. The frequency of periodic due diligence depends on a vendor's level of risk, as determined by the Vendor Management Group. Periodic due diligence generally includes the following and will be completed by a member of the compliance and cyber security team:

- Request and review the following from the vendor (as applicable):
    - Due diligence questionnaires
    - Business continuity policy
    - Information security plan
    - Incident response plan
    - Cyber policy
    - Privacy policy
    - Certificate of insurance
    - Demonstration of controls audit (e.g. SOC2) and cybersecurity testing (e.g. penetration testing or vulnerability scans);
- Conduct an onsite due diligence visit if deemed necessary by the CCO/CRO; and
- Document the review of the vendor.

Engagement

Engagement

Engaging with management teams is an important component of Aristotle Capital's investment process. Our meetings give us insight into management's strategic priorities, risks and opportunities, the sustainability of a company's business model, stewardship practices, financial strength, and a company's ability to weather times of adversity. Our firm's Investment Team conducts hundreds of company meetings per year, including onsite visits to companies' facilities, as well as meetings with customers, suppliers and competitors.

Our Sustainability Team also directly engages with the companies in which we invest. Such meetings can include the CEO, Chairman, General Counsel and/or board members. Our team members monitor, assess, and escalate issues with company leadership when necessary. We aim to promote appropriate disclosure on material ESG issues and use of standardized frameworks (if one doesn't already exist), follow the company's progress on setting and reaching environmental goals (including portfolio-wide emissions tracking), and establish dialogue around notable controversies. Aristotle Capital's Sustainability Materiality Framework was also developed to help identify and track ESG risks/opportunities that could be material to companies in different industries.

Through our long-term investment approach, we seek to foster congenial relationships with company management, which helps us to establish dialogue if we believe the company has taken fundamental missteps or has failed to create value for its shareholders.

Ahead of engagement meeting, our team establishes priorities for discussion and prepares questions. We seek to identify any outstanding controversies, review items that require follow-up from past engagements and, if appropriate, incorporate additional resources to ensure we cover topics that are pertinent to each particular company. The team maintains clear records of each meeting in a centralized database outlining our engagement activity. Engagement notes contain the purpose of the meeting, attendees, topics discussed, outcomes, and items for future follow-up. These records are shared with members of the Investment Team and help us monitor companies' progress over time.

Collaboration

We seek to establish conversations with peers, asset managers, asset owners, and industry experts to share and learn best practices as it pertains to stewardship and sustainability. In addition to participating in forums and educational events, we may explore consider joining a collaborative engagement initiative if we determine:

- An issue is an engagement priority
- The issue is best communicated collaboratively to effectively send a message to management
- We are able to meet the commitments required for the initiative
- Joining the initiative would, in our view, be in the best interests of our clients

Escalation

Meeting regularly with management teams has always been an important part of our research process. Issues that are more likely to prompt escalation include objectionable governance practices or lack of transparency. We may escalate an issue by conducting additional meetings with company management. We can also escalate an issue by voting against a manager proposal or a director. If we continue to not feel comfortable with the company's strategy, changes in transparency, policies or any other issue, this could lead us to ultimately divest from a business.

Exercising Rights and Responsibilities

Exercising Rights and Responsibilities

Aristotle has adopted Proxy Voting policies and procedures to determine voting decisions. Aristotle believes that the voting of proxies is an important part of portfolio management as it represents an opportunity for shareholders to make their voices heard and to influence the direction of a company. We seek to leverage our proxy voting rights in promoting issues that are relevant to the long-term *sustainability* of our investments and the economic interest of our clients' capital. Proposals are analyzed by our investment team and rationales are documented accordingly. While we consider ISS (Institutional Shareholder Services) recommendations, we study each proposal and vote consistently with the goal of promoting issues that are relevant to the long-term sustainability of our investments and the economic interest of our clients' capital. For clients who feel strongly about exercising their voting rights to promote ESG (or other) issues, we encourage them to vote proxies directly or through a designated third party.

March 31, 2024

Disclosures

This policy is published by the investment management team at Aristotle Capital Management, LLC (Aristotle Capital). The opinions expressed herein are those of Aristotle Capital and are subject to change without notice. This material is not financial advice or an offer to purchase or sell any product. Aristotle Capital reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs.

Aristotle Capital Management, LLC is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Aristotle Capital, including our investment strategies, fees and objectives, can be found in our Form ADV Part 2, which is available upon request. ACM-2404-199

FOR MORE INFORMATION

Phone: +1.310.478.4005 **I** **Email:** info@aristotlecap.com **I** **Web:** www.aristotlecap.com

Los Angeles | Newport Beach | Boston | Sarasota