

Aristotle Atlantic Partners Stewardship Policy

June 2023



CONTENTS

Purpose and Governance

Purpose & Values	4
Governance, Resources and Incentives	5
Conflicts of Interest	6
Promoting Well-Functioning Markets	7
Review and Assurance	8

Investment Approach

Client Beneficiary Needs	10
Stewardship, Responsible Investment and Climate	11
Monitoring Service Providers	12

Engagement

Engagement	14
Collaboration	15
Escalation	15

Exercising Rights and Responsibilities

Exercising Rights and Responsibilities	17
--	----





Purpose and Governance



Purpose and Values

Our Purpose

We enable our clients to achieve their long-term financial objectives.

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 long-term financial objectives. 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 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. Aristotle Atlantic is one of the five independent investment teams of Aristotle supported by a shared services team at affiliate Aristotle Capital.



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, affiliate Aristotle Capital's Chief Financial Officer/Chief Operating Officer and the CCO 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 Atlantic 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.
- **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 CCO.



Promoting Well-Functioning Markets

Our investment philosophy is based upon a diligent process of researching and observing sustainable shifts in consumer, corporate and government spending. We strive to identify these shifts and invest in companies that are well-positioned to capitalize on secular themes, product cycles or cyclical trends. Our approach entails conducting thorough fundamental analysis on individual companies and industries, enabling us to recognize emerging trends and make informed investment decisions. By leveraging our comprehensive research and bottom-up analysis, we aim to consistently generate competitive absolute returns while effectively managing risk. Our goal is to assist our clients in achieving their long-term financial objectives.

We seek to mitigate risk in our portfolios by:

- Fully understand the businesses in which we invest;
- Diversifying by company and sector;
- Managing position sizes;
- Monitoring tracking error and relevant style classification;
- Maintaining adherence to relevant style classifications; and
- Rigorously apply our sell discipline.

Additionally, affiliate Aristotle Capital's Investment Risk Committee oversees each Aristotle affiliate, including Aristotle Atlantic, and meets on a quarterly basis to review risk exposure and metrics at the portfolio level. The goals of the Committee are to ensure: 1) that strategy guidelines are met, 2) that unintended risks are not being taken, and 3) that the investment team has a comprehensive understanding of the portfolio's risk exposures. The Committee communicates its findings with members of the investment team following its review.



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. Our investment team and Product Specialist, for instance, meet regularly with clients (and/or their intermediaries) to 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 many clients for many years thanks to this client-centric focus, our long-term investment approach, and our passion for researching businesses (rather than trading stocks).

In seeking to help our clients achieve their investment objectives, we can apply client-directed restrictions in their investment portfolios. The objective of our approach is to strike a balance between meeting a client's bespoke needs and having an investable universe that seeks to maximize risk-adjusted returns. Any removal of certain companies or industries from consideration for investment, as directed by our clients, is generally based on environmental, social and governance (ESG) specific criteria, reflecting a client's values and beliefs. While we do not have a standard ESG exclusion list or apply negative ESG screens within our investment selection process, we may from time to time exclude or purchase companies where our thesis (positive or negative) is influenced by ESG factors. More recently, we began tracking and assessing emissions as part of the rising client need for measuring the environmental impact of their investments. 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 believe the foundation of successful investing is derived from identifying companies positioned to benefit from long-term secular themes, product cycles or cyclical trends. Through a thorough, bottom-up analysis of these companies, their products and economic cycles, we believe consistent risk-adjusted returns can be achieved.

ESG issues are incorporated into our investment analysis and decision-making process when we believe they could have a material impact on a company's valuation and financial performance. ESG integration complements our overall fundamental analysis by evaluating a range of ESG-related considerations for potential and existing portfolio holdings. Combining fundamental research with ESG analysis gives us a more comprehensive understanding of the companies and sectors in our coverage and helps us build more effective investment portfolios. We identify and assess material ESG factors relevant to companies and their respective industries to better understand their impact on society, the environment, and the economy. We also seek to evaluate any controversy involvement in violation of global norms that could increase financial and reputational risk for companies. A comprehensive evaluation of these risks helps us better understand how they might affect the long-term performance of our holdings.

Climate Considerations

Current and future effects of global climate change can pose significant risks to long-term financial performance of our portfolio holdings. Aristotle Atlantic seeks to understand its potential impacts at the sector, industry and company level. Our holistic investment approach considers important climate-related issues that include carbon emissions, emerging "green" technologies, energy efficiency and pollution, among others. We evaluate these issues for companies under consideration for investment and continuously monitor the existing holdings.

Aristotle Atlantic currently monitors climate change risk in our strategies by utilizing third-party research to assess a company's exposure to carbon-related risks as well as a company's management of risks related to its own operational energy use and greenhouse gas emissions. Additionally, we are proud to support the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, a set of climate-related financial risk disclosures that seek to increase transparency and awareness around climate-related risks.¹

¹ Aristotle Atlantic became a supporter of TCFD in March 2022.



Monitoring Service Providers

Aristotle Atlantic engages various vendors to assist the firm in providing services to clients. As a fiduciary, Aristotle Atlantic is responsible for prudently selecting and maintaining vendors. Accordingly, vendors deemed to be critical to the operations of Aristotle Atlantic must undergo initial and periodic due diligence reviews. Generally, a vendor is deemed to be a key vendor if: (1) the vendor has access to non-public client information; and or (2) provides products and/or services that are critical to Aristotle Atlantic in conducting its day-to-day business or in meeting its legal or contractual obligations. Aristotle Atlantic takes steps to select key vendors to safeguard client information and secure Aristotle Atlantic'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, which may include the affiliate Aristotle Capital's Chief Risk Officer (CRO) and other employee(s) responsible for acquiring the vendor.

Initial Due Diligence and Approval: Prior to engaging a new service provider, Aristotle Atlantic 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 Atlantic. 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 Atlantic 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 team:

- Request and review the following policies from the vendor (as applicable):
 - Business continuity policy
 - 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 audit if deemed necessary by the CCO/CRO; and
- Document the review of the vendor.



Engagement



Engagement

Engagement with management teams is an important component of Aristotle Atlantic'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 the ability to endure (and potentially rise above) during times of adversity.

Our investment team engages directly with the companies in which we invest. These engagements may focus on addressing specific issues related to sustainability and/or stewardship. We aim to promote appropriate disclosure on material ESG issues, encourage the implementation of a sustainability framework (if one doesn't already exist) and establish dialogue around existing controversies related to alleged violations of the UN Global Compact (UNGC). We also seek to understand how companies think about risks and opportunities related to climate change, as well as their environmental goals (future and progress already achieved).

Through our long-term investment approach, we seek to foster congenial relationships with company management, which can help provide a sounding board if we believe the company has taken fundamental missteps or has failed to create value for its shareholders. We believe this provides an effective means in providing better dialogue between us and the companies in which we invest.



Collaboration

We seek to establish conversations with peers, people in the asset management industry and asset owners to share and learn best practices as it pertains to stewardship and sustainability. Furthermore, we aim to increase our participation in collaborative engagement and stewardship-related activities through participation in forums and educational events on various ESG-related topics.

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 our investment.



Exercising Rights and Responsibilities



Exercising Rights and Responsibilities

Aristotle Atlantic 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. Unless otherwise directed by the client, Aristotle Atlantic will vote proxies and will vote such proxies in the manner that, in its opinion, serves the best interests of the clients in accordance with this policy.

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.



Disclosures

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

Aristotle Atlantic Partners, 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 Atlantic, including our investment strategies, fees and objectives, can be found in our Form ADV Part 2, which is available upon request. AAP-2308-15



FOR MORE INFORMATION

Phone: (212) 654-4150 | **Email:** info@aristotleatlantic.com | **Web:** www.aristotleatlantic.com

Los Angeles | Newport Beach | Boston | Sarasota