



PUBLIC TRANSPARENCY REPORT

2024

Pella Funds Management

Generated 25-11-2024

About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2024 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2024 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented. The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Pella's mission is to help investors thrive without compromising the wellbeing of current or future generations. This mission emphasizes equal importance on the wellbeing of the planet, people, and society, alongside financial returns. Responsible Investing is the cornerstone of Pella's strategy to achieve this mission.

Responsible Investing encompasses a variety of strategies, including ESG Integration, Exclusion/Norms-Based Screening, Engagement, Best-in-Class, Impact Investing, and Sustainability Themed Investing. Pella employs multiple strategies to reflect its values and manage investment risk effectively.

Pella's investment approach is rooted in the belief that shareholders are part owners of a portfolio of companies. As owners, investors must be comfortable with how profits are generated. This owner's mindset necessitates that a fund manager's values are incorporated into the investment process.

Pella avoids investments in activities and behaviours that go against its values, including selling tobacco products, manufacturing weapons, deforestation of old-growth rainforests, and exploiting child labour. Strategies such as ESG integration, exclusion screening, and norms-based screening help Pella align its investments with these values and adopt a business owner's mindset.

Incorporating Pella's values helps define its investment universe. Within this universe, the fund manager aims to maximize returns and control risks. Every company faces environmental and social risks, and the principal-agent problem, where managers' interests may not align with shareholders. ESG integration focuses on companies with formalized policies for managing these risks. The engagement strategy allows Pella to enhance the ESG characteristics of its portfolio. Combining ESG integration and engagement minimizes portfolio risks.

Pella's responsible investment commitments include avoiding companies involved in activities such as uranium mining, fossil fuel electricity generation, fossil fuel mining, deforestation of old-growth forests, weapons manufacturing or distribution, tobacco production, alcoholic beverage manufacturing, pornography, gambling, animal cruelty (cosmetic testing, live entertainment, intensive animal husbandry), GMO seeds manufacturing, and the operation of for-profit prisons. Additionally, Pella avoids companies that breach norms-based practices as described by the United Nations Global Pact and OECD Guidelines for Multinational Enterprises.

Pella ensures at least 30% of the portfolio is invested in companies rated A or better by MSCI ESG research and at least 70% of the portfolio is invested in companies rated BBB or better by MSCI ESG research. The portfolio's carbon intensity (scope 1 and 2), measured relative to sales and enterprise value, is maintained at least 30% lower than the benchmark. Pella also participates in every shareholder vote for its investments.

Transparency is central to Pella's Responsible Investing approach. To ensure this transparency, Pella publicly distributes several key reports. The monthly Fund Fact Sheet provides key financial metrics of the fund, while the monthly Fund Sustainability Report communicates essential sustainability metrics. Additionally, Quarterly Reports list the Fund's full portfolio holdings, voting activities, and portfolio positioning activities. The Annual Responsible Investing Report offers a comprehensive description of the company's sustainability efforts and an assessment of the Fund's Responsible Investing activities.

Pella's website (www.pellafunds.com) serves as a rich resource for information. Moreover, Pella distributes its Responsible Investment Manual, detailing its approach to Responsible Investment, to all interested parties. Through these efforts, Pella strives to maintain elevated levels of transparency and accountability in its Responsible Investing practices.

By integrating these responsible investment strategies, Pella aims to fulfil its mission of sustainable and ethical investing.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

In FY24, Pella broadly delivered against all key metrics outlined in its Responsible Investing scorecard. Key improvements included the introduction of a monthly Sustainability Report, achieving carbon neutrality, and engaging with regulators to improve tobacco reporting. However, there were some areas where performance lagged compared to FY23. Pella did not submit votes at one AGM due to technical issues, had less exposure to positive impact themes, and participated in fewer positive impact initiatives compared to the previous year.

For FY24, Pella had set several goals: preparing a submission at Marsh & McLennan's AGM to improve its fossil-fuel-related disclosure, submitting a petition to the SEC for retailers to disclose tobacco-related revenue, encouraging more investee companies to become UN Global Compact signatories, and achieving carbon neutrality. Most goals were achieved except for the submission to Marsh & McLennan's AGM, due to not meeting all requirements. This issue is expected to be resolved by the next AGM.

Transparency: Pella provided full fund portfolio positions in its Quarterly Reports and all positions held during FY24. Key fund sustainability data was shared in each monthly Sustainability Report and Quarterly Report.

Excluded Activities: The Fund did not invest in companies involved in excluded activities during FY24. Although Texas Instruments did not directly contravene the exclusion list, it was determined to contravene the spirit of the list, leading Pella to exit that position.

Norms-Based Requirements: No investments contravened norms-based requirements. The most significant controversy managed was Marsh & McLennan's exposure to the fossil fuel industry.

Environment, Social, Governance: The Fund's ESG scores were superior to the Benchmark, achieved mainly through stock selection. 79% of the Fund's investments were in companies rated A or higher, and 100% were in companies rated BBB or higher, with no exposure to lower-rated companies.

Carbon Intensity: The Fund's carbon intensity was approximately 70% lower than the Benchmark, both in CO₂/EV and CO₂/Revenue measurements. Pella achieved (uncertified) carbon neutrality by purchasing carbon offsets from the Rimba Raya Biodiversity Reserve Project.

Positive Impact: Approximately 39% of the Fund was invested in companies generating some revenue from positive impact themes, with 33% invested in companies generating at least 20% of their revenue from these themes. The largest positive theme exposure was Improved Health.

Voting: Pella submitted virtually all votes in meetings, with only missed submissions at Sika's AGM due to technical issues.

Initiatives: Pella was involved in two major initiatives: encouraging investee companies to become UN Global Compact signatories (ASML and Ashtead became signatories during FY24 following our request) and petitioning the SEC to require US-listed retailers to disclose tobacco-related revenue.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Pella believes the greatest opportunity to advance its commitments to responsible investment lies in the stewardship strategy. Over the next two years, Pella intends to implement several corporate initiatives to improve the ESG performance of companies in its investment portfolio and the broader corporate community.

Pella's stewardship initiatives encompass ongoing strategies and special projects. The primary ongoing initiative involves encouraging all portfolio positions to become signatories of the United Nations Global Compact (UNGC). Successes from this initiative include Samsung Electronics, Flow Traders, Sun Run, ASML, and Ashtead becoming signatories following Pella's request. However, there is still more work to be done, and Pella is targeting additional companies within its investment portfolio to join the UNGC.

Currently, Pella is pursuing two special projects with targeted resolutions within the next two years. The first project aims to improve Marsh & McLennan's ("Marsh") fossil fuel exposure. Marsh, an insurance broker, facilitated insurance for a controversial oil pipeline in Africa, as reported by The Bureau of Investigative Journalism. Pella does not consider Marsh's actions a breach of norms-based requirements since Marsh's role is peripheral to the pipeline, presenting an opportunity to work with Marsh to enhance the insurance broking industry's approach to these matters. However, Pella is concerned about the lack of disclosure.

Pella prepared a letter for Marsh's ESG Committee requesting additional disclosures regarding its exposure to the fossil fuel sector. Specifically, Pella asked Marsh to issue a report, at reasonable cost and omitting proprietary information, addressing whether and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities in alignment with the Paris Agreement's 1.5°C goal. Marsh responded that it does not currently plan to disclose engagements (or related revenue) with any specific industries. Unsatisfied with this response, Pella plans to pursue the matter further, including submitting a resolution at Marsh's next AGM. In addition, in the 2024 AGM Pella voted against the re-election of all Marsh's directors who sit on that company's ESG Committee.

The second special project focuses on retailers' tobacco sales disclosure. Currently, retailers are not required to report their revenue from tobacco sales, making it difficult to avoid companies with significant exposure to these products. Pella aims to achieve tobacco-sales disclosure from all US retailers. During the reporting period, Pella wrote to all consumer staples retailers in its investment portfolio, requesting disclosure of the proportion of revenue generated from tobacco products. These companies did not comply, citing the lack of industry standards for such disclosures. In response, during the year Pella submitted a petition to the US Securities and Exchange Commission (SEC) to establish a requirement for listed retailers to disclose their tobacco-related revenue.

In addition, Pella recently joined Climate Action 100+ and is working on the Woolworths (WOW.AU) committee. We are excited to be an active participant of that team and collaborate with the other members to improve Woolworth's environmental footprint.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Steven Glass

Position

Managing Director & Investment Analyst

Organisation's Name

Pella Funds Management

● A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

○ B

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	30	06	2024

SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 52,908,962.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	100%	0%
(B) Fixed income	0%	0%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

Provide a further breakdown of your internally managed listed equity AUM.

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental 100%

(D) Other strategies 0%

GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

(A) Listed equity (2) >0 to 10%

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

(1) Listed equity - active

- (A) Yes, through internal staff
- (B) Yes, through service providers
- (C) Yes, through external managers
- (D) We do not conduct stewardship

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

(1) Listed equity - active

- (A) Yes, through internal staff
- (B) Yes, through service providers
- (C) Yes, through external managers
- (D) We do not conduct (proxy) voting

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active

(11) >90 to <100%

ESG INCORPORATION

INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(C) Listed equity - active - fundamental

ESG STRATEGIES

LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	100%
(E) Thematic and integration	0%
(F) Screening and thematic	0%
(G) All three approaches combined	0%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?

Percentage coverage out of your total listed equity assets where a screening approach is applied

(A) Positive/best-in-class screening only 0%

(B) Negative screening only 100%

(C) A combination of screening approaches 0%

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

100%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

100%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

Which ESG/RI certifications or labels do you hold?

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation**
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)
- (L) Finansol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (N) Greenfin label (France)
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principles
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Verstoß gegen Atomwaffensperrvertrag
- (U) Le label ISR (French government SRI label)
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products
- (AB) National stewardship code
- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- (AE) People's Bank of China green bond guidelines
- (AF) RIAA (Australia)**
- (AG) Towards Sustainability label (Belgium)
- (AH) Other

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

SUBMISSION INFORMATION

REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here

Specify:

Guidelines on positive impact exposure

- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues
- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

(A) Overall approach to responsible investment

Add link:

<https://www.pellafunds.com/responsible-investing-charter>

(B) Guidelines on environmental factors

Add link:

<https://www.pellafunds.com/sustainabilitydisclosure>

(C) Guidelines on social factors

Add link:

<https://www.pellafunds.com/sustainabilitydisclosure>

(D) Guidelines on governance factors

Add link:

<https://www.pellafunds.com/sustainabilitydisclosure>

(E) Guidelines on sustainability outcomes

Add link:

<https://www.pellafunds.com/sustainabilitydisclosure>

(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

<https://www.pellafunds.com/sustainabilitydisclosure>

(G) Specific guidelines on human rights (may be part of guidelines on social factors)

Add link:

<https://www.pellafunds.com/sustainabilitydisclosure>

(J) Guidelines on exclusions

Add link:

<https://www.pellafunds.com/exclusion-list>

(L) Stewardship: Guidelines on engagement with investees

Add link:

<https://www.pellafunds.com/sustainabilitydisclosure>

(O) Stewardship: Guidelines on (proxy) voting

Add link:

<https://www.pellafunds.com/sustainabilitydisclosure>

(P) Other responsible investment aspects not listed here

Add link:

<https://www.pellafunds.com/sustainabilitydisclosure>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

(A) Yes

Elaborate:

A fund manager's fiduciary duties encompass a range of responsibilities aimed at ensuring the best interests of their clients or investors are always prioritized. These duties include the duty of loyalty, where the fund manager must act in the best interests of the investors, putting their interests ahead of their own. Pella's Responsible Investing Charter clearly communicates the Company's commitment to act in the best interests of its investors and other key stakeholders before its own interests.

The duty of care requires the fund manager to manage the fund with a high standard of care, competence, and diligence. This includes making informed and prudent investment decisions based on thorough research and analysis. Similarly, the duty of prudence obligates the fund manager to make investment decisions that a prudent person would make under similar circumstances, considering the risk-return profile of the investments, diversification, and the overall strategy of the fund.

Pella's Responsible Investing Charter explains that Responsible Investing requirements for systematic investment analysis, engagement, and reporting enshrine professional behavior into everything we do. There will be no shortcuts in our research, we will help guide our investment companies to improved behaviors, and we will reflect on and assess our approach and results via our reporting. These actions are intended to help Pella achieve its goal of delivering consistently superior financial results.

Acting honestly and in good faith in all dealings related to the management of the fund is encapsulated in the duty of good faith. This means making decisions that are in the best interests of the investors without any ulterior motives. The duty of disclosure mandates that the fund manager provides complete and accurate information to the investors, including disclosing all material facts, risks, fees, and any potential conflicts of interest that could affect the investment. In addition to prioritizing its investors' interests, Pella's Responsible Investing Charter explains that Responsible Investing provides Pella with the reporting tools and disclosure requirements, which Pella's investors can use to measure performance.

The duty to follow the investment mandate requires the fund manager to adhere to the investment guidelines and objectives specified in the fund's prospectus or agreement. This includes following the stated investment strategy and not deviating from the agreed-upon approach. Additionally, the duty to monitor investments means the fund manager must continuously monitor the performance of the fund's investments and make necessary adjustments to meet the investment objectives and manage risks appropriately. Pella's Responsible Investing Charter explains that the single most important delivery for a fund manager is to do as promised. Charters, policies, and guidelines are not just words on paper to contemplate; they are instructions for our behavior.

Pella's ultimate key performance measure is our adherence to and delivery of the promises we make to our stakeholders. We are, and will continue to be, an organization of our word.

Refer to - <https://www.pellafunds.com/responsible-investing-charter>

(B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation’s policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

GOVERNANCE

ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent

Specify:

Managing Director

- (C) Investment committee, or equivalent

Specify:

Pella has an experienced sustainability expert, Dr Ian Woods, on its advisory board. Dr. Woods brings over twenty-years of experience across ESG and Sustainable Investment. His prior roles include Co-Head of Sustainable Investment, AMP Capital, Deputy Chair, Investor Group on Climate Change (Australia/NZ), and was a Member of the Coordinating Working Group, Australian Sustainable Finance Initiative, and is currently a Member of the Chronos Expert Sustainability Network.

- (D) Head of department, or equivalent
- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

(1) Board members, trustees, or equivalent

(2) Senior executive-level staff, investment committee, head of department, or equivalent

(A) Overall approach to responsible investment

(B) Guidelines on environmental, social and/or governance factors

(C) Guidelines on sustainability outcomes

(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

- (A) Yes
- (B) No
- (C) **Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

- (A) **Internal role(s)**
Specify:
Managing Director and Chairman/Chief Investment Officer
- (B) External investment managers, service providers, or other external partners or suppliers
- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?

(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Describe: (Voluntary)

Pella has made several responsible investing commitments, which are measured and reported in Pella's monthly factsheet, quarterly reports, and annual Responsible Investing Report. Performance relative to those KPIs is ultimately Pella's board's responsibility, meaning those KPIs are used to evaluate the performance of Pella's board. Reflecting this, a portion of Pella's quarterly board meetings are entirely focused on the company's ESG performance.

(B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

(1) KPIs are linked to compensation

(2) KPIs are not linked to compensation as these roles do not have variable compensation

(3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

Pella's employment contracts include ESG factors in position descriptions. For example, the investment analysts' employment contracts explicitly required analysts to do the following:

- Incorporate ESG factors when researching companies and making investment suggestions.
- Whenever possible, participate in Pella's social and/or volunteer opportunities.
- Actively seek to improve Pella's ESG footprint.

Reflecting these requirements, the contracts explicitly explain that each employee's discretionary bonus will be partly based on the employee's adherence, and contribution, to Pella's ESG related policies.

(B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input type="checkbox"/>	<input type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>	<input type="radio"/>

EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures

(E) None of the above

Explain why: (Voluntary)

Pella is in currently working through the process of implementing this policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

(A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

<https://fondsfinder.universal-investment.com/en/DE/Funds/LU2468412098/downloads?q=36hzlkFjYOxLG5UDd2%2bEyd3p%2bSua%2fUTuQ8DR34D3sUDLHc5kS22enG4SBhi2ekp2diouNK3SmhLwNmqa9K2el4anY5bwcPa0l8zDVASxxMTTX1e4kK2RX7Z0LexwBe5>

- (B) Disclosures against the European Union's Taxonomy
- (C) Disclosures against the CFA's ESG Disclosures Standard
- (D) Disclosures against other international standards, frameworks or regulations**

Specify:

Pella follows the Responsible Investment Association Australasia (RIAA) disclosure requirements, which can be reviewed across our website.

Link to example of public disclosures

<https://www.pellafunds.com>

- (E) Disclosures against other international standards, frameworks or regulations
- (F) Disclosures against other international standards, frameworks or regulations
- (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

- (A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) **Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year**

STRATEGY

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) **Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services**
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) **Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact**
- (D) **Exclusions based on our organisation's climate change commitments**
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns

- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns

● (F) Not applicable; we do not have a strategic asset allocation process

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

(1) Listed equity

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

●

(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?

Pella prioritizes the investees and other entities for our stewardship efforts based on a comprehensive and systematic approach that aligns with our commitment to responsible investing and the achievement of our ESG goals.

We use a set of well-defined criteria to identify which investees and entities to focus on. These criteria include practicality, where we prioritise projects that we believe we can deliver a positive outcome; commitments, where we prioritize protects and initiatives we previously committed to; and evolution; where we prioritize projects that are appropriate for an investees or other entities stage of evolution.

Our prioritization process involves two levels. The first are the standard projects that are directed towards all Pella’s investments. This includes participating in all shareholder votes, encouraging all investees to be signatories of the United Nations Global Compact, and regular meetings with the investees.

The second level of stewardship efforts involves special projects. These are efforts that involve company or industry-specific efforts to improve ESG characteristics of specific investees. Examples of these projects are Pella’s efforts to improve Marsh & McLennan’s fossil fuel exposure disclosure and petitioning the US Securities & Exchange Commission (SEC) to require all listed US retailers to disclose their revenue from tobacco sales.

Our stewardship prioritization aligns with our broader ESG goals and objectives, which include reducing portfolio risks, enhancing long-term value, and contributing to positive societal outcomes. We measure the effectiveness of our stewardship efforts through regular impact assessments, tracking progress on engagement objectives, and reporting outcomes to our stakeholders. By following this systematic approach, we ensure that our stewardship efforts are focused on areas where we can achieve the greatest impact, ultimately supporting our mission of responsible investing and sustainable value creation.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.

Pella firmly believes in the power of collaborative stewardship as an essential component of effective responsible investing, and we are increasingly collaborative projects. Our default position on collaborative stewardship involves actively seeking and participating in partnerships with other investors, industry groups, and stakeholders to amplify our impact on ESG issues.

We engage in collaborative stewardship through various channels. Firstly, we are members of several key industry alliances such as Climate Action 100+, the Principles for Responsible Investment (PRI), and the United Nations Global Compact (UNGC). These memberships enable us to join forces with like-minded investors to drive change in corporate behaviour and improve ESG practices across the board. To date, we have shared our tobacco reporting initiative on the UNPRI collaboration portal and Pella's Managing Director discussed the initiative on a UNPRI-facilitated webinar. In addition, Pella is a member of the Climate Action 100+, Woolworth's (WOW.AU) collaboration team.

We regularly review and assess our collaborative efforts to ensure they align with our strategic objectives and deliver tangible outcomes. This continuous evaluation helps us refine our approach and maximize the impact of our stewardship activities.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff

Select from the list:

- 1
- 2
- 3
- 4
- 5

- (B) External investment managers, third-party operators and/or external property managers, if applicable
- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers
- (D) Informal or unstructured collaborations with investors or other entities
- (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar
- (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

Pella's stewardship activities are deeply integrated with our investment decision-making process, creating a cohesive approach that enhances both our financial performance and our ESG impact. This integration operates in both directions, ensuring that stewardship informs investment decisions and that investment insights guide our stewardship efforts.

From the outset, our investment decisions are guided by comprehensive ESG analysis. We assess potential investments based on their environmental, social, and governance practices, identifying both risks and opportunities. This ESG assessment is a critical component of our due diligence process, influencing whether we proceed with an investment. Companies demonstrating strong ESG performance are more likely to be included in our portfolio, as we believe they offer better long-term value and lower risk.

Once an investment is made, our stewardship activities come into play to enhance the value and sustainability of our portfolio companies. We engage actively with these companies to improve their ESG practices, advocating for changes that align with our responsible investing principles. This engagement can include direct dialogue with management, voting on shareholder resolutions, and participating in collaborative initiatives with other investors. The insights gained from these stewardship activities feed back into our investment decision-making process, helping us to reassess and adjust our positions as needed.

As an example, Pella writes to all its investees that are not United Nations Global Compact (UNGC) signatories, encouraging them to become signatories. Pella believes that the UNGC provides practical and signaling benefits. It focuses senior management attention on sustainability principles without creating burdensome requirements and sends a signal that the investee takes these principles seriously. Pella doesn't just try once and leave it; if investees don't become signatories, we conduct this initiative biannually. We have found that this perseverance often pays off, as multibillion-dollar companies have eventually agreed with our requests.

Our investment insights also guide our stewardship efforts. Through continuous monitoring of our portfolio companies, we identify areas where ESG improvements are needed. This ongoing surveillance allows us to prioritize our engagement activities, focusing on issues that are most material to our investment thesis and where we can have the most significant impact. For example, we noticed that retailers don't disclose their tobacco-related revenue, which is a material social risk. These retailers explained to us that they don't report those revenues because their peers don't. This informed our decision to petition the US SEC to require listed retailers to disclose their tobacco-related revenue.

Our stewardship and investment responsibilities work in tandem. Regular meetings and reporting structures facilitate this collaboration, allowing for real-time integration of ESG insights into investment decisions and vice versa. This integrated approach ensures that our stewardship activities are not siloed but are an essential part of our overall investment strategy.

In summary, our stewardship activities and investment decision-making are mutually reinforcing. ESG analysis influences our investment choices, and our stewardship activities enhance the ESG performance of our portfolio companies. This dynamic interplay ensures that we are continually improving both our financial returns and our positive impact on society and the environment. Through this integrated approach, we fulfill our commitment to responsible investing and sustainable value creation.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

If relevant, provide any further details on your organisation's overall stewardship strategy.

Pella applies four primary tools to fulfill its stewardship responsibilities: engagement, voting, advocacy, and transparency. These tools ensure that stewardship considerations and behaviours are incorporated into all the investments managed by Pella's funds.

Engagement takes several forms, all intended to monitor and provide feedback to companies and help inform our voting decisions. Pella expects to engage with 100% of its portfolio companies at least annually. Our standard engagement practices involve discussing key ESG issues with companies to deepen our understanding of these issues and how they are being managed. Pella intensifies its engagement under certain circumstances, such as when portfolio companies have an MSCI ESG rating of less than A, lack an MSCI ESG rating, face severe controversies, experience an MSCI ESG-rating downgrade, or are part of special stewardship projects aimed at improving their ESG characteristics.

Proxy voting is another crucial tool. Pella prefers owning voting shares over non-voting shares and participates in all votes at its investments' Annual General Meetings and other shareholder meetings. Our voting positions are informed by research from third-party proxy voting advisors and Pella's internal research.

Advocacy is also an essential aspect of Pella's stewardship. We recognize that investment decisions alone are insufficient to increase global sustainability and that investment managers have a responsibility to advocate for sustainability through other methods. To fulfill this responsibility, Pella engages in various initiatives, such as accreditations, becoming signatories to relevant organizations, and providing public commentary.

Transparency is regarded as a critical component of stewardship and Responsible Investing at Pella. Our Transparency Policy defines transparency as providing all requisite information for stakeholders to make timely and fully informed decisions about Pella and its funds' financial and responsible investing decisions and outcomes. To fulfill this requirement, Pella divides its communication strategy into three categories: Policies, Portfolio, and Practices. This information is made available through several channels, including:

1. The Pella website, which provides access to Pella's various policies, monthly fund reports, opinion pieces, and the annual Responsible Investment Report.
2. Monthly Fund Factsheets and Sustainability Reports, which offer key investment and ESG data for the fund.
3. Quarterly reports, which include the same data as the monthly reports and add the full portfolio, with a one-quarter lag.
4. The Annual Responsible Investment Report, which provides in-depth data and discussion about Pella's Responsible Investing activities, including voting, reasoning behind key votes, and the outcomes of ongoing and special projects.

Through these tools and practices, Pella ensures that its stewardship activities are robust, transparent, and effective in promoting sustainable and responsible investing.

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear

- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How is voting addressed in your securities lending programme?

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

(A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment

- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) **We did not privately or publicly communicate our voting intentions prior to the AGM/EGM**
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- (A) **Yes, for all (proxy) votes**

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- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) **Within three months of the AGM/EGM**
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(1) for all votes	(1) for all votes
(B) Yes, we privately communicated the rationale to the company	(3) for a minority of votes	(3) for a minority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	○	○

(A) Yes, we publicly disclosed the rationale - Add link(s):

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

Pella submits its votes using ISS Proxy Exchange, a service designed to overcome bureaucratic and logistical obstacles in the voting chain and confirmation process. Pella regularly reviews upcoming shareholder meetings and submits its votes accordingly.

ISS provides reports on the meetings in which Pella participated and the number of votes submitted. Pella reviews these reports to ensure they comply with our expectations. When they don't, Pella communicates directly with ISS to understand the nature of the discrepancy and resolve the issue.

For example, in 2022, ISS did not submit our votes for Swedish AGMs, which Pella only became aware of during our review following the meeting. Our enquiries uncovered that there was an issue with our Swedish custodians that did not allow ISS to submit those votes. Pella took immediate action to resolve that issue to ensure that it does not reoccur, and we are able to vote in that country. Since then, Pella has successfully voted in all its Swedish investees' AGMs.

STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9 HF, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

(1) Listed equity

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Filing, co-filing, and/or submitting a shareholder resolution or proposal
- (C) Publicly engaging the entity, e.g. signing an open letter
- (D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director

(F) Divesting

(G) Litigation

(H) Other

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

(H) Other - (1) Listed equity - Specify:

Pella prepared a letter for Marsh & McLennan’s Board ESG Committee requesting that MMC “make additional disclosures regarding its exposure to the fossil fuel sector. Specifically, Pella is requesting that MMC issue a report, at reasonable cost and omitting proprietary information, addressing whether and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities in alignment with the Paris Agreement’s 1.5°C goal.”

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups
- (D) We engaged policy makers on our own initiative**

Describe:

Pella is seeking improved tobacco-related disclosure retailers. During FY23 we wrote to retailers we had an investment in, requesting them to disclose the proportion of revenue they generate from tobacco sales. Those companies declined our request as the disclosures are not an industry standard. In response, in FY24 Pella made a submission to the US Securities and Exchange Commission (SEC) requesting that regulator establish a requirement for retailers to disclose their tobacco-related revenue. That submission is available on the SEC's website (<https://www.sec.gov/rules-regulations/petitions-rulemaking-submitted-to-sec>). Pella has followed up on that request on several occasions and is working diligently for the SEC to implement the rule.

- (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

www.pellafunds.com/responsibleinvestingreport
<https://www.pellafunds.com/lettertosec>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

Encourage investees to become signatories to the UNGC

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Pella has an ongoing goal for all its investments to become UNGC signatories. To achieve this, we biannually reach out to every position in our portfolio that is not currently a signatory.

To date, six companies have become signatories following our requests: Ashtead, Antofagasta, ASML, Flow Traders, Samsung Electronics, and Sunrun.

There is still work to be done, as several important companies have not become

signatories despite at least four requests from us, including Adobe, Alphabet, CME, JD Sports, Marsh & McLennan, and UnitedHealth.

We will persist with this initiative and hope to report more signatories next year.

(B) Example 2:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

- (3) Asset class(es)
- (1) Listed equity
 - (2) Fixed income
 - (3) Private equity
 - (4) Real estate
 - (5) Infrastructure
 - (6) Hedge funds
 - (7) Forestry
 - (8) Farmland
 - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

(C) Example 3:

Title of stewardship activity:

- (1) Led by
- (1) Internally led
 - (2) External service provider led
 - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- (1) Environmental factors
 - (2) Social factors
 - (3) Governance factors
- (3) Asset class(es)
- (1) Listed equity
 - (2) Fixed income
 - (3) Private equity
 - (4) Real estate
 - (5) Infrastructure
 - (6) Hedge funds
 - (7) Forestry
 - (8) Farmland
 - (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

(D) Example 4:

Title of stewardship activity:

- (1) Led by
- (1) Internally led
 - (2) External service provider led
 - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- (1) Environmental factors
 - (2) Social factors
 - (3) Governance factors
- (3) Asset class(es)
- (1) Listed equity
 - (2) Fixed income
 - (3) Private equity
 - (4) Real estate
 - (5) Infrastructure
 - (6) Hedge funds
 - (7) Forestry
 - (8) Farmland
 - (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

(E) Example 5:

Title of stewardship activity:

- (1) Led by
- (1) Internally led

- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
 - (1) Environmental factors
 - (2) Social factors
 - (3) Governance factors
- (3) Asset class(es)
 - (1) Listed equity
 - (2) Fixed income
 - (3) Private equity
 - (4) Real estate
 - (5) Infrastructure
 - (6) Hedge funds
 - (7) Forestry
 - (8) Farmland
 - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

- (A) Yes, within our standard planning horizon
- (B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Yes, Pella has identified and actively manages climate-related risks and opportunities affecting our investments. We recognize that climate change poses significant risks to our portfolio but also offers substantial opportunities for growth and value creation.

We assess the potential impact of climate change on physical assets, including the increased frequency and severity of extreme weather events such as floods, hurricanes, and wildfires. These events can disrupt supply chains, damage infrastructure, and reduce the productivity of our investee companies. Additionally, we analyze risks associated with the transition to a low-carbon economy. This includes regulatory changes such as carbon pricing and emissions regulations, which can affect the operating costs and competitiveness of companies in high-carbon industries. Shifts in market preferences towards sustainable products and technologies can also impact demand and profitability. Furthermore, we consider the potential for legal action against companies that fail to mitigate or adapt to climate change. Companies may face litigation related to their contributions to climate change or their failure to disclose climate-related risks adequately.

Demonstrating our approach, Pella's exclusions include companies that mine fossil fuels, generate electricity based on fossil fuels, are involved in transporting fossil fuels, and engage in old-growth deforestation. In addition, we pay special attention to companies that require higher altitudes with snow and will be impacted by global warming, highly water-intensive operations, and agricultural activities negatively impacted by changes in precipitation patterns. Further, Pella has avoided investing in companies that generate an elevated level of waste.

On the opportunity side, we see significant potential in investing in renewable energy sources such as wind, solar, and hydroelectric power. These investments not only contribute to reducing greenhouse gas emissions but also offer attractive returns as the world shifts towards sustainable energy solutions. Investments in energy-efficient technologies and practices provide opportunities to improve operational efficiencies and reduce costs. Companies that innovate and adopt energy-saving measures can gain a competitive advantage in the market.

Pella believes that green electricity is a key answer to many of our sustainability requirements, as it enables green energy and emission-free vehicles. In recognition of that theme, Pella has invested in companies with direct exposure to the electrification theme, such as Schneider Electric and Prysmian.

We integrate climate-related risk and opportunity assessments into our overall investment process. This involves conducting thorough ESG due diligence on potential investments, focusing on their climate risk exposure and management practices. We regularly monitor and review the climate performance of our portfolio companies. By proactively identifying and managing climate-related risks and opportunities, we aim to safeguard our investments, enhance long-term value, and contribute to the global transition to a sustainable, low-carbon economy.

Pella typically invests with a three-year timeframe but plans with a ten-year timeframe.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Climate-related risks and opportunities have significantly shaped and continue to influence our investment strategy, financial planning, and product offerings. As an organization committed to responsible investing, we recognize the profound impact of climate change on the global economy and our portfolio.

Our investment strategy is increasingly guided by the recognition of both physical and transitional climate risks. Physical risks, such as the increased frequency and severity of extreme weather events, necessitate a thorough assessment of the vulnerability of our investee companies' assets and operations. This has led us to favour investments in companies that demonstrate robust climate resilience strategies and adaptive measures. Transitional risks, including regulatory changes, shifts in market preferences, and technological advancements, drive us to invest in companies that are proactive in reducing their carbon footprint and aligning with a low-carbon economy. We avoid sectors heavily reliant on fossil fuels and those with poor environmental practices, instead prioritizing investments in renewable energy, energy efficiency technologies, and sustainable infrastructure.

Our commitment to addressing climate-related risks and opportunities is reflected in the development of our investment products. Our firm is entirely committed to Responsible Investing, and we have a firm wide ban on companies directly involved in severe environmental damage. In addition we have environmental objectives at the investee level and portfolio level. To justify our investment positions, Pella also incorporates our own environmental requirements, and our company is carbon neutral.

We anticipate that climate-related risks and opportunities will continue to play a critical role in shaping our investment strategy and financial planning. As global efforts to combat climate change intensify, we expect increased regulatory scrutiny, technological innovations, and shifts in consumer behaviour. We are committed to staying ahead of these trends by continuously enhancing our climate risk assessment methodologies, expanding our sustainable investment offerings, and engaging with our investee companies to drive positive environmental outcomes.

In conclusion, climate-related risks and opportunities have profoundly influenced our approach to investing, financial planning, and product development. By integrating climate considerations into every aspect of our operations, we aim to deliver long-term value to our clients while contributing to a more sustainable and resilient global economy.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

(A) Coal

Describe your strategy:

Companies involved in mining or transporting coal are negatively screened and not included in Pella's investable universe.

(B) Gas

Describe your strategy:

Companies involved in drilling for or transporting gas are negatively screened and not included in Pella's investable universe.

(C) Oil

Describe your strategy:

Companies involved in drilling, refining, or transporting oil are negatively screened and not included in Pella's investable universe.

(D) Utilities

Describe your strategy:

The developed world is approaching a point where it is technically and economically possible to replace fossil fuels with sustainable alternatives. To encourage this transition Pella excludes all companies generating power from thermal coal sources except when the thermal coal power generation is less than 5% of the total generation and they have firm commitments to exit that activity entirely within three years from Pella's initial investment in that company. Pella also excludes power generators that (i) earn more than 15% of their revenue from gas turbine generation; (ii) exceed the carbon intensity threshold recommended by the IEA in the Paris Agreement; (iii) do not disclose their CO2 emissions.

The 5% threshold on thermal-coal powered generation with the requirement that the company must be transitioning away from coal within three years from Pella's initial investment reflects Pella's support for companies transitioning away from thermal coal.

The 15% threshold on gas turbine generation reflects the current use of standby gas generation for peak load scenarios, which often cannot be provided by renewable energy. This threshold will decline as batteries become a viable alternative to gas for peak load generation.

(E) Cement

(F) Steel

(G) Aviation

(H) Heavy duty road

(I) Light duty road

(J) Shipping

(K) Aluminium

(L) Agriculture, forestry, fishery

Describe your strategy:

An old-growth forest has attained great age without significant disturbance and exhibits unique ecological features. These forests can be cut down for wood or to farm the land. Pella believes these activities cause unnecessary damage as tree plantations can be used for wood and existing farmland can be used more productively.

We exclude enterprises with any exposure to directly destroying old-growth forests. This includes paper and pulp companies, companies that transport the wood, and food companies that use old growth palm trees.

Animal cruelty covers a broad spectrum of behaviour, including cosmetic testing, using animals for live crowd entertainment, and intensive animal husbandry. Pella excludes companies with any direct exposure to those activities.

The animal cruelty exclusion means Pella avoids investing in companies involved in intensive fish farms. Pella has, and will continue, to avoid companies involved in intensive open sea fishing due to ecologic impact of those operations.

(M) Chemicals

(N) Construction and buildings

- (O) Textile and leather
- (P) Water
- (Q) Other
- (R) We do not have a strategy addressing high-emitting sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
 - (B) Yes, using the One Earth Climate Model scenario
 - (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
 - (D) Yes, using other scenarios**
- Specify:

Pella has assessed how well aligned the portfolio is to global climate goals and weighted carbon intensity using MSCI's ESG Fund Ratings and Climate Search Tool.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

- (A) Yes, we have a process to identify and assess climate-related risks**
- (1) Describe your process

Pella has identified several key climate-related risks to be incorporated throughout its investment process. These risks include exposure to land or ecosystem disturbance, water-intensive operations, fragile ecosystems, operations producing high levels of packaging waste, and operations producing high levels of toxic emissions and waste.

During the due diligence process for every company researched, Pella identifies the presence of these risks. The existence of these risks is incorporated into Pella's investment reports and analysis, contributing to each candidate's risk score and influencing the decision of whether to invest. On a like-for-like basis, companies with higher exposure to climate risks receive a higher risk score than those with lower exposure, making it more difficult for them to enter the portfolio.

Pella measures and tracks the environmental score of its portfolio, as evaluated by MSCI ESG research, and targets a higher ESG score than the underlying benchmark. The portfolio's environmental score attribution is calculated monthly, and Pella targets positive attribution at both the sector and company levels. This attribution is shared with interested parties to maintain transparency.

Additionally, Pella considers carbon-intensive operations likely to face significant regulatory risk. As a result, Pella excludes several fossil fuel-related industries from its investment universe, including fossil fuel miners, electricity generation, refiners, and transportation of fossil fuels (e.g., pipelines). Pella also measures its portfolio's carbon intensity (scope 1 and 2) relative to sales and enterprise value, targeting a portfolio with carbon intensity at least 30% lower than the benchmark.

Similar to the portfolio environmental score, Pella performs attribution analysis of the portfolio's carbon intensity, aiming for lower sectoral and stock-level carbon intensity compared to the benchmark. Pella publicly reports the results of these analyses to ensure accountability and transparency in its efforts to manage climate-related risks effectively.

(2) Describe how this process is integrated into your overall risk management

Pella manages risk at the individual investment level and the portfolio level. At the individual stock level climate risks are managed by excluding companies with high climate-risk operations and adding risk premium according to climate-risk exposure and generating monthly reports to track the investments' environmental performance and controversies.

At the portfolio level, Pella measures the portfolio's environmental score and carbon intensity (scope 1 and 2) and tracks the progress of those measures relative to history and the benchmark. In addition, Pella conducts monthly attribution of the portfolio environmental score and carbon intensity to understand the sources of the environmental and carbon intensity exposures.

- (B) Yes, we have a process to manage climate-related risks
- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?

- (A) Exposure to physical risk
- (B) Exposure to transition risk
- (C) Internal carbon price
- (D) Total carbon emissions
- (E) **Weighted average carbon intensity**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) **Metric or variable used and disclosed**
 - (3) Metric or variable used and disclosed, including methodology
 - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

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- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)
- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- (I) Proportion of assets or other business activities aligned with climate-related opportunities
- (J) Other metrics or variables
- (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

(A) Scope 1 emissions

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

● (2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

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(B) Scope 2 emissions

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

● (2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

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<https://www.pellafunds.com/monthlysustainabilityreport>

(C) Scope 3 emissions (including financed emissions)

o (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

● (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities

o (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

(A) The UN Sustainable Development Goals (SDGs) and targets

(B) The UNFCCC Paris Agreement

(C) The UN Guiding Principles on Business and Human Rights (UNGPs)

(D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(E) The EU Taxonomy

(F) Other relevant taxonomies

(G) The International Bill of Human Rights

(H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(I) The Convention on Biological Diversity

(J) Other international framework(s)

(K) Other regional framework(s)

(L) Other sectoral/issue-specific framework(s)

(M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

(A) Identify sustainability outcomes that are closely linked to our core investment activities

(B) Consult with key clients and/or beneficiaries to align with their priorities

(C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character

(D) Identify sustainability outcomes that are closely linked to systematic sustainability issues

(E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)

(F) Understand the geographical relevance of specific sustainability outcome objectives

(G) Other method

(H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

(A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities

(B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

(A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons

- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

Pella incorporates human rights considerations into its pre-investment screening, investment analysis, and investment monitoring activities. The ultimate goal of these activities is to avoid companies involved in negative human rights outcomes and, where possible, to act as positive agents of change.

During pre-investment screening, Pella identifies and excludes companies involved in activities or behaviours with severe negative human rights outcomes. These activities include for-profit prisons, weapons manufacturing or distribution, pornography, and deforestation of old-growth rainforests (due to environmental damage and displacement of local populations). The excluded behaviours align with the UN Global Compact and OECD Guidelines for Multinational Enterprises. Pella avoids all investment candidates that contravene these activity or behaviour requirements during the pre-investment process.

Pella also conducts human rights due diligence during the investment analysis process. This involves using company reports, media reports, and third-party analysis such as MSCI ESG research to identify potential violations. These potential violations are included in investment reports. If a potential violation is severe, the investment candidate is avoided. If the potential violation is not severe, the candidate may still be considered for investment but is given a higher risk premium during Pella's valuation process.

The post-investment monitoring process includes staying informed about investees' human rights performance by reviewing company reports, media reports, and third-party research. Pella's policy to manage potential human rights violations depends on whether the violation is severe or not.

For severe violations, Pella's policy is to exit the stock and prepare a publicly available insight piece explaining the reasons for the exit. For example, in 2022 Pella exited its position in Visa and prepared an insight piece due to Visa's alleged complicity in child pornography by knowingly enabling payments to a website that hosted such material. For non-severe violations, Pella's policy is to engage with the company to resolve the issue.

By integrating human rights considerations into its investment processes, Pella aims to ensure ethical investment practices and contribute to positive human rights outcomes.

- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm

- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
- (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?

(A) Workers

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology**
- (9) Communication services
- (10) Utilities
- (11) Real estate

(B) Communities

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology**
- (9) Communication services
- (10) Utilities
- (11) Real estate

(C) Customers and end-users

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary**
- (5) Consumer staples**
- (6) Healthcare
- (7) Finance
- (8) Information technology**
- (9) Communication services
- (10) Utilities
- (11) Real estate

(D) Other stakeholder groups

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?

(A) Corporate disclosures

Provide further detail on how your organisation used these information sources:

Pella reads investment candidates' annual reports, including the sustainability report, to identify issues that may have negative outcomes for people.

(B) Media reports

Provide further detail on how your organisation used these information sources:

Pella subscribes to several news publications to remain abreast of all issues, including human rights related issues, affecting companies. The investment team has a daily meeting, where any negative media reports are discussed and analyzed.

(C) Reports and other information from NGOs and human rights institutions

Provide further detail on how your organisation used these information sources:

Pella refers to Tobacco Free Portfolios, and As You Sow, for research to inform our initiative to petition the US SEC to require listed retailers to disclose their tobacco-related revenue.

(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank

(E) Data provider scores or benchmarks

Provide further detail on how your organisation used these information sources:

Pella subscribes to MSCI ESG research, which we use in our pre-investment screening, investment due diligence, and post-investment monitoring activities. In using that service, we have screens to identify key issues, we subscribe to information alerts, and we read their research.

Pella also used Factset to identify companies participating in highly sensitive industries.

(F) Human rights violation alerts

(G) Sell-side research

Provide further detail on how your organisation used these information sources:

Sell-side research increasingly reports on ESG factors and human rights violations. Pella incorporates this research into its investment process.

(H) Investor networks or other investors

Provide further detail on how your organisation used these information sources:

Pella subscribers to ESG Investor, which provides broad ESG-related articles, including those on human rights.

(I) Information provided directly by affected stakeholders or their representatives

(J) Social media analysis

(K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?

(A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities

Describe:

Pella publicly reports all its investments and provides unitholders with reports summarizing each investment's activities, ESG strengths, and weaknesses. This transparency enables individuals affected by negative human rights outcomes related to Pella's investments to identify Pella as a stakeholder in those activities.

Contact details are provided in these reports and on Pella's website, allowing individuals to reach Pella's Managing Directors directly. This ensures that those affected by negative human rights outcomes have access to senior management to help address and remedy these issues. Pella's policy is to advocate for those who bring such issues to light, ensuring their concerns are addressed and resolved.

(B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities

(C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

LISTED EQUITY (LE)

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?

(3) Active - fundamental

(A) Yes, our investment process incorporates material governance factors

(1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors

(1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period

(1) for all of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion

o

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

o

MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?

(3) Active - fundamental

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but it does not include scenario analyses

(1) for all of our AUM

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

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(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

o

(B) Yes, we have a formal process but it does not include scenario analysis - Specify: (Voluntary)

Pella monitors and reviews changing ESG characteristics using MSCI ESG scoring data and proprietary analysis. The MSCI ESG data is utilized to track the portfolio's governance score, social score, environmental scores, and to perform an attribution analysis of the total ESG score monthly. These steps enable Pella to track the underlying ESG performance of its investments and analyse the drivers of changes in the portfolio's performance.

Pella's proprietary analysis involves measuring and reporting on several key environmental, social, and governance issues. On the environmental front, we assess whether the investee conducts regular environmental audits, monitors and measures water risks, and has exposure to operations involving land or ecosystem disturbances. We also consider the exposure to water-intensive operations, fragile ecosystems, and operations producing high levels of packaging waste, toxic emissions, and waste.

For social issues, we evaluate the diversity policy for the workforce and the presence of programs that facilitate workforce diversity. We also examine policies addressing internationally recognized labour conventions, processes to protect customer privacy and data security, and any human rights policies or evidence of commitment to external standards. Additionally, we assess whether the business is prone to data breaches or handles high volumes of customer data, and its exposure to product safety risks.

In terms of governance, we look at whether the company is a UNGC signatory, any concerns in auditor reports, the frequency of restatements or special charges, and whether the roles of CEO and Chairperson are combined. We also consider the degree of board entrenchment, board independence, the presence of at least 30% female directors, the size of the board, and the existence of multiple equity classes with different voting rights.

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?

(2) Active - fundamental

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(1) in all cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?

(3) Active - fundamental

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	
(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process	o

ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.

Pella incorporates ESG considerations throughout its investment process for all its investment candidates. This integration is achieved through internal analysis, MSCI ESG ratings, and the assessment of controversies. An example from the reporting year highlights how Pella effectively incorporated ESG factors into its equity selection and research process.

The investment process begins with screens that eliminate companies with poor ESG characteristics from Pella's investment universe. Using MSCI ESG research, we identify and exclude companies with low ESG ratings or those likely to fail norms-based requirements. During the reporting year, this screen led to the exclusion of companies such as Meta Platforms, Berkshire Hathaway, Netflix, Alibaba, and Tencent from our investment universe.

Pella's equity research involves a thorough review of an investment candidate's ESG factors. This includes a deep dive into the candidate's controversies to assess whether it has likely breached Norms-Based requirements and to develop a deeper understanding of key ESG factors. For instance, during the reporting year, despite their strong MSCI ESG ratings, Pella excluded Inditex and Hennes & Mauritz due to concerns about their environmental footprint. This decision underscores our commitment to rigorous ESG analysis beyond standard ratings.

ESG factors are also integral to the equity selection process through the inclusion of ESG factors in the valuation risk premium applied to each position and by tilting the portfolio towards higher-rated stocks. A notable example from the reporting period is our investment in Marsh & McLennan ('Marsh') rather than AON. While both companies have similar investment characteristics, Marsh was selected due to its superior ESG credentials.

This comprehensive approach ensures that ESG considerations are embedded at every stage of our investment process, from initial screening to final equity selection, thereby aligning our investment decisions with our commitment to responsible investing.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?

(3) Active - fundamental

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings



(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents



(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities



(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents



(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion



(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process



PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.

Applying year-end MSCI ESG ratings, Pella's analysis of ESG factors' influence on realized returns is as follows:

Companies rated AAA were the best performing in the Benchmark over the reporting period, followed by companies rated below BBB. Pella's overweight exposure to AAA-rated companies positively drove performance. However, the lack of exposure to companies rated below BBB created a headwind to relative performance.

BBB-rated stocks were the third-best performing group, but Pella was underweight in that rating, which negatively impacted relative returns. AA-rated stocks performed poorly, but Pella's equal weighting in that group meant this allocation did not affect relative returns. A-rated stocks delivered marginally better performance than AA-rated ones, but Pella was underweight in A-rated stocks, which was a slight relative return headwind.

Unrated stocks were the worst performing group. Pella had no exposure to these stocks, which positively contributed to relative returns.

In aggregate, Pella's strategy of targeting companies with superior ESG ratings, as measured by MSCI, positively contributed to relative returns.

DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

SUSTAINABILITY OUTCOMES (SO)

SETTING TARGETS AND TRACKING PROGRESS

SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

(A) Sustainability outcome #1

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

(1) Environmental

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

Climate Change Mitigation

(4) Number of targets set for this outcome

(1) No target

(2) One target

(3) Two or more targets

(B) Sustainability outcome #2

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

- (2) Classification of sustainability outcome
- (1) **Environmental**
 - (2) Social
 - (3) Governance-related
 - (4) Other
- (3) Sustainability outcome name
- Climate Impact Audit
- (4) Number of targets set for this outcome
- (1) No target
 - (2) **One target**
 - (3) Two or more targets
- (C) Sustainability outcome #3**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- (1) **The UN Sustainable Development Goals (SDGs) and targets**
 - (2) The UNFCCC Paris Agreement
 - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
 - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
 - (5) The EU Taxonomy
 - (6) Other relevant taxonomies
 - (7) The International Bill of Human Rights
 - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - (9) The Convention on Biological Diversity
 - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- (1) Environmental
 - (2) **Social**
 - (3) Governance-related
 - (4) Other
- (3) Sustainability outcome name
- Decent Work Conditions
- (4) Number of targets set for this outcome
- (1) No target
 - (2) **One target**
 - (3) Two or more targets
- (D) Sustainability outcome #4**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- (1) **The UN Sustainable Development Goals (SDGs) and targets**
 - (2) The UNFCCC Paris Agreement
 - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
 - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
 - (5) The EU Taxonomy
 - (6) Other relevant taxonomies
 - (7) The International Bill of Human Rights
 - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - (9) The Convention on Biological Diversity
 - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- (1) Environmental
 - (2) **Social**
 - (3) Governance-related
 - (4) Other
- (3) Sustainability outcome name

Encourage Workforce Diversity

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

(E) Sustainability outcome #5

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- (1) The UN Sustainable Development Goals (SDGs) and targets
- (2) The UNFCCC Paris Agreement
- (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (5) The EU Taxonomy
- (6) Other relevant taxonomies
- (7) The International Bill of Human Rights
- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (9) The Convention on Biological Diversity
- (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- (1) Environmental
- (2) Social
- (3) Governance-related
- (4) Other

(3) Sustainability outcome name

UN Global Compact signatory

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

(F) Sustainability outcome #6

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- (1) The UN Sustainable Development Goals (SDGs) and targets
- (2) The UNFCCC Paris Agreement
- (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (5) The EU Taxonomy
- (6) Other relevant taxonomies
- (7) The International Bill of Human Rights
- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (9) The Convention on Biological Diversity
- (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- (1) Environmental
- (2) Social
- (3) Governance-related
- (4) Other

(3) Sustainability outcome name

Females board representation

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

(G) Sustainability outcome #7

- (H) Sustainability outcome #8
- (I) Sustainability outcome #9
- (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:	Climate Change Mitigation					
(1) Target name	Portfolio carbon intensity					
(2) Baseline year	2023					
(3) Target to be met by	2026					
(4) Methodology	Portfolio carbon emissions intensity compared to the Fund's Benchmark carbon emissions intensity.					
(5) Metric used (if relevant)	Carbon emissions (scope 1 and scope 2) relative to enterprise value and relative to revenue					
(6) Absolute or intensity-based (if relevant)						(2) Intensity-based
(7) Baseline level or amount (if relevant):	Portfolio carbon intensity was 66% lower than the Benchmark's carbon intensity					
(8) Target level or amount (if relevant)	Portfolio carbon intensity to be at least 70% lower than the Benchmark carbon intensity					
(9) Percentage of total AUM covered in your baseline year for target setting	100%					
(10) Do you also have a longer-term target for this?						(1) Yes

(B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2:	Climate Impact Audit
(1) Target name	Climate impact audit
(2) Baseline year	2023
(3) Target to be met by	2026
(4) Methodology	Calculate the percentage of Pella's investment portfolio that engages in an annual environmental audit. Calculated using a binary measure of whether an investee conducts an environmental audit and the average weight of each investee in the portfolio over the reporting period.
(5) Metric used (if relevant)	Binary (yes/no) whether the investee conducts an annual environmental audit. Average weight of each position in the portfolio over the reporting year.
(6) Absolute or intensity-based (if relevant)	(1) Absolute
(7) Baseline level or amount (if relevant):	46%
(8) Target level or amount (if relevant)	>50%
(9) Percentage of total AUM covered in your baseline year for target setting	100%
(10) Do you also have a longer-term target for this?	(1) Yes

(C1) Sustainability Outcome #3: Target details

(C1) Sustainability Outcome #3:	Decent Work Conditions
(1) Target name	Labour policy
(2) Baseline year	2023
(3) Target to be met by	2026

(4) Methodology	Calculate the percentage of Pella's investment portfolio that has a labour policy. Calculated using a binary measure of whether an investee has a labour policy or not, and the average weight of each investee in the portfolio over the reporting period.	
(5) Metric used (if relevant)	Binary (yes/no) whether the investee has a human rights policy. Average weight of each position in the portfolio over the reporting year.	
(6) Absolute or intensity-based (if relevant)	(1) Absolute	
(7) Baseline level or amount (if relevant):	93%	
(8) Target level or amount (if relevant)	100%	
(9) Percentage of total AUM covered in your baseline year for target setting	100%	
(10) Do you also have a longer-term target for this?	(1) Yes	

(D1) Sustainability Outcome #4: Target details

(D1) Sustainability Outcome #4:	Encourage Workforce Diversity	
(1) Target name	Workforce diversity program	
(2) Baseline year	2023	
(3) Target to be met by	2026	
(4) Methodology	Calculate the percentage of Pella's investment portfolio that has workforce diversity programs. Calculated using a binary measure of whether an investee has workforce diversity programs or not, audit and the average weight of each investee in the portfolio over the reporting period.	
(5) Metric used (if relevant)	Binary (yes/no) whether the investee has a workforce diversity program(s). Average weight of each position in the portfolio over the reporting year.	
(6) Absolute or intensity-based (if relevant)	(1) Absolute	

(7) Baseline level or amount (if relevant):	57%
(8) Target level or amount (if relevant)	70%
(9) Percentage of total AUM covered in your baseline year for target setting	100%
(10) Do you also have a longer-term target for this?	(1) Yes

(E1) Sustainability Outcome #5: Target details

(E1) Sustainability Outcome #5:	UN Global Compact signatory
(1) Target name	UNGC signatories
(2) Baseline year	2022
(3) Target to be met by	2024
(4) Methodology	Calculate the percentage of Pella's investment portfolio that is a UNGC signatory. Calculated using a binary measure of whether an investee is a UNGC signatory or not, audit and the average weight of each investee in the portfolio over the reporting period.
(5) Metric used (if relevant)	Binary (yes/no) whether the investee has a UNGC signatory Average weight of each position in the portfolio over the reporting year.
(6) Absolute or intensity-based (if relevant)	(1) Absolute
(7) Baseline level or amount (if relevant):	43%
(8) Target level or amount (if relevant)	>50%
(9) Percentage of total AUM covered in your baseline year for target setting	100%
(10) Do you also have a longer-term target for this?	(1) Yes

(F1) Sustainability Outcome #6: Target details

(F1) Sustainability Outcome #6:	Females board representation
(1) Target name	Female board representation
(2) Baseline year	2023
(3) Target to be met by	2024
(4) Methodology	Calculate the percentage of Pella's investment portfolio with females comprising at least 30% of the number of directors on the investee's board of directors. Calculated using a binary measure of whether an investee has at least 30% female board representation, and the average weight of each investee in the portfolio over the reporting period.
(5) Metric used (if relevant)	Binary (yes/no) whether the investee has at least 30% female board representation Average weight of each position in the portfolio over the reporting year.
(6) Absolute or intensity-based (if relevant)	(1) Absolute
(7) Baseline level or amount (if relevant):	78%
(8) Target level or amount (if relevant)	90%
(9) Percentage of total AUM covered in your baseline year for target setting	100%
(10) Do you also have a longer-term target for this?	(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(A1) Sustainability Outcome #1: Climate Change Mitigation	Portfolio carbon intensity	2030	Carbon intensity at least 75% lower than the Benchmark
(B1) Sustainability Outcome #2: Climate Impact Audit	Climate impact audit	2030	80%
(C1) Sustainability Outcome #3: Decent Work Conditions	Labour policy	2030	100%
(D1) Sustainability Outcome #4: Encourage Workforce Diversity	Workforce diversity program	2030	90%
(E1) Sustainability Outcome #5: UN Global Compact signatory	UNGC signatories	2030	90%
(F1) Sustainability Outcome #6: Females board representation	Female board representation	2030	100%

TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

Does your organisation track progress against your nearest-term sustainability outcomes targets?

(A1) Sustainability outcome #1:

(A1) Sustainability outcome #1: Climate Change Mitigation

Target name: Portfolio carbon intensity

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(B1) Sustainability outcome #2:

(B1) Sustainability outcome #2: Climate Impact Audit

Target name: Climate impact audit

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(C1) Sustainability outcome #3:

(C1) Sustainability outcome #3: Decent Work Conditions

Target name: Labour policy

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(D1) Sustainability outcome #4:

(D1) Sustainability outcome #4: Encourage Workforce Diversity

Target name: Workforce diversity program

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(E1) Sustainability outcome #5:

(E1) Sustainability outcome #5: UN Global Compact signatory

Target name: UNGC signatories

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(F1) Sustainability outcome #6:

(F1) Sustainability outcome #6: Females board representation

Target name: Female board representation

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1: Climate Change Mitigation

(1) Target name: Portfolio carbon intensity

(2) Target to be met by	2026
(3) Metric used (if relevant)	Carbon emissions (scope 1 and scope 2) relative to enterprise value and relative to revenue
(4) Current level or amount (if relevant)	As of June 24, the Fund's carbon intensity was 79% lower than the Benchmark's carbon intensity when measured relative to enterprise value, and 77% lower when measured relative to sales.
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	Pella calculates the carbon intensity of the Fund and the Benchmark monthly using MSCI company-level data, weighted by each company's respective representation in the Fund and Benchmark. These calculations are performed monthly and publicly reported to track progress.

(B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2:	Climate Impact Audit
(1) Target name	Climate impact audit
(2) Target to be met by	2026
(3) Metric used (if relevant)	Binary (yes/no) whether the investee conducts an annual environmental audit. Average weight of each position in the portfolio over the reporting year.
(4) Current level or amount (if relevant)	As of Jun-24, companies representing 44% of the Fund performed regular environmental audits, compared to the 34% in the Fund's Benchmark.
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	Using MSCI data, Pella calculates the weight of companies in the Fund and the Benchmark that perform regular environmental audits. These calculations are performed monthly and publicly reported to track progress.

(C1) Sustainability Outcome #3: Target details

(C1) Sustainability Outcome #3:	Decent Work Conditions
(1) Target name	Labour policy
(2) Target to be met by	2026

(3) Metric used (if relevant)	Binary (yes/no) whether the investee has a human rights policy. Average weight of each position in the portfolio over the reporting year.
(4) Current level or amount (if relevant)	As of Jun-24, companies representing 95% of the Fund had a Labour Policy that recognizes the rights of workers, compared to the 99% in the Fund's Benchmark.
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	Using MSCI data, Pella calculates the weight of companies in the Fund and the Benchmark that have a Labour Policy recognizing the rights of workers. These calculations are performed monthly and publicly reported to track progress.

(D1) Sustainability Outcome #4: Target details

(D1) Sustainability Outcome #4:	Encourage Workforce Diversity
(1) Target name	Workforce diversity program
(2) Target to be met by	2026
(3) Metric used (if relevant)	Binary (yes/no) whether the investee has a workforce diversity program(s). Average weight of each position in the portfolio over the reporting year.
(4) Current level or amount (if relevant)	As of Jun-24, companies representing 84% of the Fund had a Workforce Diversity Policy, which recognizes the importance of workforce diversity, compared to the 85% in the Fund's Benchmark.
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	Using MSCI data, Pella calculates the weight of companies in the Fund and the Benchmark that have a Workforce Diversity Policy, which recognizes the importance of workforce diversity. These calculations are performed monthly and publicly reported to track progress.

(E1) Sustainability Outcome #5: Target details

(E1) Sustainability Outcome #5:	UN Global Compact signatory
(1) Target name	UNGC signatories
(2) Target to be met by	2024
(3) Metric used (if relevant)	Binary (yes/no) whether the investee has a UNGC signatory Average weight of each position in the portfolio over the reporting year.

(4) Current level or amount (if relevant) As of Jun-24, companies representing 52% of the Fund were United Nations Global Compact signatories, compared to 46% in the Fund's Benchmark.

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress Using MSCI data, Pella calculates the weight of companies in the Fund and the Benchmark that are United Nations Global Compact signatories. These calculations are performed monthly and publicly reported to track progress.

(F1) Sustainability Outcome #6: Target details

(F1) Sustainability Outcome #6: Females board representation

(1) Target name Female board representation

(2) Target to be met by 2024

(3) Metric used (if relevant) Binary (yes/no) whether the investee has at least 30% female board representation
Average weight of each position in the portfolio over the reporting year.

(4) Current level or amount (if relevant) As of June 24, 80% of the companies within the Fund had at least 30% female representation on their boards of directors, compared to 74% of companies in the Fund's Benchmark.

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress Using MSCI data, Pella calculates the weight of companies in the Fund and the Benchmark that have at least 30% female representation on their board of directors. These calculations are performed monthly and publicly reported to track progress.

INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
 - Select from drop down list:
 - (1) Individually
 - (2) With other investors or stakeholders
- (B) Stewardship: engagement with external investment managers
- (C) Stewardship: engagement with policy makers
 - Select from drop down list:
 - (1) Individually
 - (2) With other investors or stakeholders
- (D) Stewardship: engagement with other key stakeholders
 - Select from drop down list:
 - (1) Individually
 - (2) With other investors or stakeholders
- (E) Capital allocation
- (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

STEWARDSHIP WITH INVESTEEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach

During the reporting year, our organization employed a comprehensive five-pronged stewardship approach with investees to take decisive action on sustainability outcomes, focusing on preventing and mitigating both actual and potential negative outcomes.

Firstly, our voting policy targets participation in 100% of our funds' investment votes.

Leveraging an independent proxy voting service, we considered recommendations on key governance issues and voted based on the principle of 'avoiding significant harm,' defined as activities detrimental to current or future generations. We consistently voted against activities breaching the UN Global Compact, the OECD Guidelines for Multinational Enterprises, or other internationally accepted behavioural norms. This principle also guided our decisions on executive remuneration and director re-election, ensuring sustainability issues were prioritized in all votes.

Secondly, we engaged with companies through written and verbal communications to address sustainability-related concerns and offer recommendations. Notably, we reached out to the CEOs of every investee company not signed to the UN Global Compact, urging them to join and align with its principles. This proactive engagement aimed to elevate the sustainability standards across our portfolio.

Thirdly, we engaged regulators to seek broad changes when companies were not willing to make individual changes.

For example, during the reporting period, Pella petitioned the SEC to implement a rule that requires all US-listed retailers to disclose their revenue from tobacco-related products.

Fourthly, we engaged with peers through the UNPRI collaboration platform and direct outreach, exemplified by our efforts with the SEC tobacco petition, where we produced a signed petition and solicited support from several like-minded stakeholders.

Lastly, we took decisive action by exiting positions in investee companies involved in severe sustainability controversies or those breaching our sustainability requirements. When negotiations to resolve such issues proved unsuccessful, we divested to uphold our commitment to sustainability and ethical investing.

Through these measures, our organization effectively utilized stewardship to promote positive sustainability outcomes and mitigate negative impacts within our investment portfolio.

(2) Stewardship tools or activities used	(1) Engagement (2) (Proxy) voting at shareholder meetings (9) Other
(3) Example	<p>Engage with companies – Biannually, Pella writes to every company in its Fund that is not a United Nations Global Compact signatory, encouraging them to become a signatory.</p> <p>Vote – Pella's policy is to participate in 100% of its funds' investment votes. During the reporting period, Pella submitted several votes that aligned with our Responsible Investing policies and were counter to investee managements' recommendations. For instance, Pella voted against the re-election of all the directors of a company who were members of that company's ESG committee, due to that committee declining Pella's request for the company to improve its fossil fuel-related activity disclosure.</p> <p>Other – Pella petitioned the SEC to implement a rule that requires all US-listed retailers to disclose their revenue from tobacco-related products.</p>
(B) Sustainability Outcome #1:	
(B) Sustainability Outcome #1:	Climate Change Mitigation
(1) Describe your approach	Pella's policy is to always vote in favour of pro-environment resolutions at shareholder meetings.
(2) Stewardship tools or activities used	(2) (Proxy) voting at shareholder meetings

(3) Example

Pella voted FOR a proposal for Alphabet to "Report on Climate Risk in Retirement Plan Options." Earlier in the reporting period, Pella voted AGAINST a similar proposal at Intuit because we believed that the plan was managed by a third-party fiduciary and that employees were offered an option for investing more responsibly. However, we revisited that position, and as demonstrated by the Alphabet vote, we will be voting in favor of similar proposals going forward.

Pella also voted AGAINST the re-election of all the directors at Marsh & McLennan who are members of Marsh's ESG committee. This was in protest of the committee's decision not to accept our request for the company to report more extensively on its involvement in fossil fuel-related activities.

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: Climate Impact Audit

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: Decent Work Conditions

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Encourage Workforce Diversity

(1) Describe your approach

Pella believes workplaces should be comprised of people from diverse backgrounds. As part of our review process, we examine the labor policy and, where possible, the diversity statistics of a company. Understanding the gaps in diversity is essential, but Pella believes it would be counterproductive to report on the hiring of persons with arrest or incarceration records, as this could create an additional barrier to those individuals' obtaining employment.

(2) Stewardship tools or activities used

(2) (Proxy) voting at shareholder meetings

(3) Example Pella voted AGAINST proposals to 'Report on Hiring of Persons with Arrest or Incarceration Records' at Adobe and Microsoft's AGM.

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: UN Global Compact signatory

(1) Describe your approach Write to investees that are not UNGC signatories to encourage them to become signatories.

(2) Stewardship tools or activities used (1) Engagement

(3) Example On a semi-annual basis, Pella writes to every investee in its fund that is not a signatory of the UN Global Compact, encouraging them to join. This engagement includes a letter to the company's CEO or highest executive office, explaining the reasons for becoming a UNGC signatory and providing a draft letter on behalf of the investee to simplify the process. To date, Pella has successfully encouraged several prominent companies to become UNGC signatories.

(G) Sustainability Outcome #6:

(G) Sustainability Outcome #6: Females board representation

(1) Describe your approach Pella's director nomination votes are materially influenced by the female representation on investees' board of directors. Where less than 30% of the board is composed of female directors, Pella might vote against the nomination of a male director, due to an over representation of males on that board.

(2) Stewardship tools or activities used (2) (Proxy) voting at shareholder meetings

(3) Example During the reporting period Pella was not entitled to participate in any AGM of a company whose board of directors with fewer than 30% female representation.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

- (A) We prioritise the most strategically important companies in our portfolio.
- (B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.
- (C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.
- (D) Other
Describe:

Pella's stewardship initiatives include ongoing strategies and special projects. The ongoing initiatives involve voting in all shareholder meetings with a default to support sustainability outcomes and encouraging all portfolio positions to become signatories of the United Nations Global Compact (UNGC). This initiative has seen success, with Samsung Electronics, Flow Traders, Sun Run, and ASML becoming signatories following our request. However, more work is needed, and we aim to have more companies within our portfolio join.

Special projects are chosen based on their likelihood of success, the level of attention they receive from others, and the importance of the outcome.

We focus on projects that are important, underrepresented, and have a high chance of success. Currently, we are pursuing two special projects targeting resolutions within the next two years.

The first project aims to improve Marsh & McLennan's (Marsh) fossil fuel exposure. After discovering Marsh's insurance brokering business facilitated insurance for a controversial oil pipeline in Africa, we requested improved fossil fuel-related disclosure from their ESG committee. Due to their refusal, we voted against the re-election of all directors on the ESG committee at Marsh's recent AGM. We plan to submit a resolution at Marsh's next AGM to call for better fossil fuel disclosure.

The second project addresses the lack of disclosure on retailers' tobacco sales. Retailers currently do not report their revenue from tobacco sales, making it hard to avoid companies with significant exposure to these products. During the reporting period, we requested all consumer staples retailers in our portfolio to disclose the proportion of revenue from tobacco sales. As they did not comply, we petitioned the US Securities and Exchange Commission (SEC) to require such disclosure. Although the SEC has not yet implemented our request, we will continue advocating for this rule change.

Select from the list:

- 1
- 2
- 3
- 4

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach

Pella engages with regulators and policymakers when seeking to establish industry-wide rules. This process is multifaceted and involves several key steps to ensure our position is clearly communicated and supported by a broad coalition.

The engagement begins with a formal letter to the relevant regulatory bodies or policymakers. This letter outlines our position on the issue at hand, providing detailed arguments and evidence to support our stance. To reinforce the importance and urgency of the matter, we may include a signed petition alongside the letter. This petition is designed to demonstrate wider support for our position, showing that there is a significant constituency that backs the proposed rule or regulation.

In addition to direct communication with regulators, Pella actively seeks the support of special interest groups. These groups, which may include environmental organizations, consumer advocacy groups, and other non-governmental organizations, can provide additional leverage and amplify our message. By aligning with these groups, we can benefit from their expertise, resources, and established networks to influence the regulatory process more effectively.

Furthermore, Pella seeks collaboration with other stakeholders who share our goals. This includes forming alliances with like-minded investors, industry peers, and advocacy organizations. By creating a united front, we can present a stronger, more compelling case to regulators and policymakers. This collaborative approach ensures that our efforts are not seen as isolated or self-serving but as part of a broader movement towards sustainable and responsible industry practices.

Through these combined efforts—direct communication, petitioning, leveraging special interest groups, and forming strategic alliances—Pella aims to influence regulators and policymakers effectively. Our goal is to drive the adoption of rules and regulations that promote sustainability, transparency, and ethical practices across the industry.

(2) Engagement tools or activities used

(1) We participated in 'sign-on' letters
(4) We engaged policy makers on our own initiative

(3) Example(s) of policies engaged on

Pella is actively seeking improved tobacco-related disclosures from retailers. During FY23, we wrote to all the retailers in which we had investments, requesting them to disclose the proportion of revenue generated from tobacco sales. Unfortunately, these companies declined our request, citing that such disclosures are not an industry standard.

In response, in FY24, Pella made a formal submission to the US Securities and Exchange Commission (SEC) requesting that the regulator establish a requirement for retailers to disclose their tobacco-related revenue.

To strengthen our case, Pella also prepared and submitted a public petition supported by individuals who endorse the proposal. We reached out to non-governmental organizations, such as Tobacco Free Portfolios and As You Sow, seeking their support for the proposal. Additionally, we published the initiative on the UNPRI collaboration platform to garner backing from like-minded investors.

The SEC confirmed receipt of our submission, but we have not seen any progress on this front.

Consequently, we intend to reengage with the SEC on this request during FY25, continuing our efforts to push for greater transparency and accountability in tobacco-related revenue reporting. Through these persistent efforts, Pella aims to create a more informed and responsible investment landscape.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

Climate Change Mitigation

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2:

Climate Impact Audit

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: Decent Work Conditions

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Encourage Workforce Diversity

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: UN Global Compact signatory

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

(G) Sustainability Outcome #6:

(G) Sustainability Outcome #6: Females board representation

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?

(A) Across all sustainability outcomes

(1) Key stakeholders engaged

(1) Standard setters

(2) Provide further detail on your engagement

Pella is actively seeking improved tobacco-related disclosures from retailers. During FY23, we wrote to all the retailers in which we had investments, requesting them to disclose the proportion of revenue generated from tobacco sales. Unfortunately, these companies declined our request, citing that such disclosures are not an industry standard.

In response, in FY24, Pella made a formal submission to the US Securities and Exchange Commission (SEC) requesting that the regulator establish a requirement for retailers to disclose their tobacco-related revenue. To strengthen our case, Pella also prepared and submitted a public petition supported by individuals who endorse the proposal. We reached out to non-governmental organizations, such as Tobacco Free Portfolios and As You Sow, seeking their support for the proposal. Additionally, we published the initiative on the UNPRI collaboration platform to garner backing from like-minded investors.

The SEC confirmed receipt of our submission, but we have not seen any progress on this front. Consequently, we intend to reengage with the SEC on this request during FY25, continuing our efforts to push for greater transparency and accountability in tobacco-related revenue reporting. Through these persistent efforts, Pella aims to create a more informed and responsible investment landscape.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

Climate Change Mitigation

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: Climate Impact Audit

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: Decent Work Conditions

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Encourage Workforce Diversity

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: UN Global Compact signatory

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

(G) Sustainability Outcome #6:

(G) Sustainability Outcome #6: Females board representation

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Initiative #1

(1) Name of the initiative	Mandatory reporting of tobacco-related revenue
(2) Indicate how your organisation contributed to this collaborative initiative	(A) We were a lead investor in one or more focus entities (e.g. investee companies)
(3) Provide further detail on your participation in this collaborative initiative	<p>Pella is actively seeking improved tobacco-related disclosures from retailers. During FY23, we wrote to all the retailers in which we had investments, requesting them to disclose the proportion of revenue generated from tobacco sales. Unfortunately, these companies declined our request, citing that such disclosures are not an industry standard.</p> <p>In response, in FY24, Pella made a formal submission to the US Securities and Exchange Commission (SEC) requesting that the regulator establish a requirement for retailers to disclose their tobacco-related revenue.</p> <p>To strengthen our case, Pella also prepared and submitted a public petition supported by individuals who endorse the proposal. We reached out to non-governmental organizations, such as Tobacco Free Portfolios and As You Sow, seeking their support for the proposal. Additionally, we published the initiative on the UNPRI collaboration platform to garner backing from like-minded investors.</p> <p>The SEC confirmed receipt of our submission, but we have not seen any progress on this front. Consequently, we intend to reengage with the SEC on this request during FY25, continuing our efforts to push for greater transparency and accountability in tobacco-related revenue reporting. Through these persistent efforts, Pella aims to create a more informed and responsible investment landscape.</p>

(B) Initiative #2

(1) Name of the initiative	
(2) Indicate how your organisation contributed to this collaborative initiative	

(3) Provide further detail on your participation in this collaborative initiative

(C) Initiative #3

(1) Name of the initiative

(2) Indicate how your organisation contributed to this collaborative initiative

(3) Provide further detail on your participation in this collaborative initiative

(D) Initiative #4

(1) Name of the initiative

(2) Indicate how your organisation contributed to this collaborative initiative

(3) Provide further detail on your participation in this collaborative initiative

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

What responsible investment processes and/or data were audited through your internal audit function?

- (A) Policy, governance and strategy
 - Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited
- (C) Listed equity
 - Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

Provide details of the internal audit process regarding the information submitted in your PRI report.

Pella's Managing Director independently reviewed the entire submission.

INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

(A) Board, trustees, or equivalent

Sections of PRI report reviewed

- (1) the entire report**
- (2) selected sections of the report

(B) Senior executive-level staff, investment committee, head of department, or equivalent

Sections of PRI report reviewed

- (1) the entire report**
- (2) selected sections of the report

(C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year