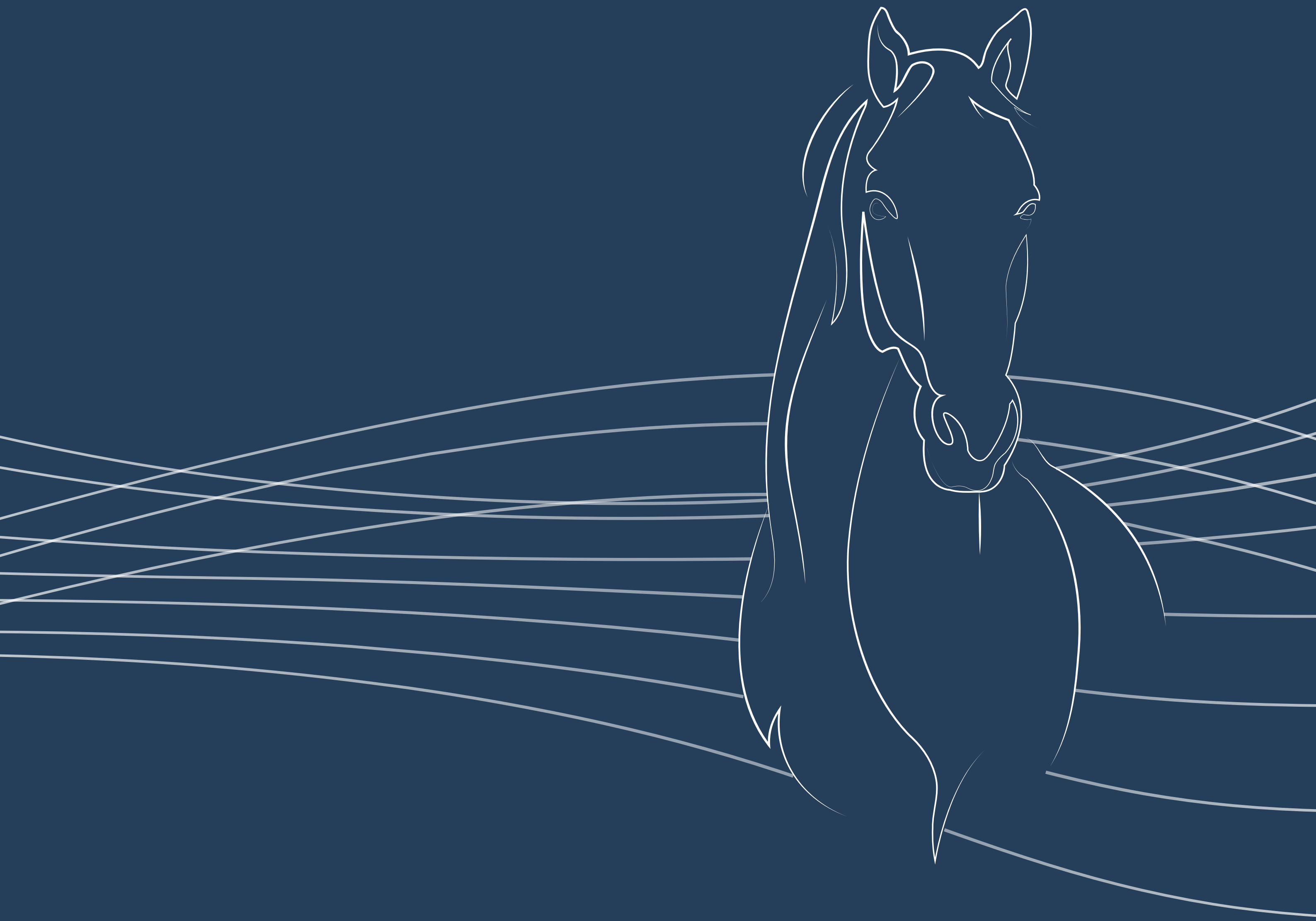
TROY
ASSET MANAGEMENT



UK Stewardship Code **Report**

2022

All data as at 31 December 2022, unless stated otherwise.

Contents

Foreword

Welcome to Troy Asset Management's ("Troy") 2022 UK Stewardship Code Report.

Troy's purpose is to preserve, grow and be a responsible steward of our clients' irreplaceable capital over the long term. Since our foundation in 2000, Troy has continually pursued this purpose and the alignment of our interests with those of our clients. Stewardship is central to this aim and at Troy we see ourselves as long-term owners of the businesses in which we invest. We are constructive, outward looking and collaborate with fellow shareholders to ensure that the boards of our investee companies are held to account. Long holding periods allow us to deepen our understanding of companies over time and promote the role of active ownership in our process.

Our approach to stewardship has evolved significantly since 2000. Each market cycle has played its part in that evolution. Experience has reinforced our view that companies without strong corporate governance, that are not proactively managing their social impact and environmental footprint, will likely suffer from greater regulation and declining support from customers and shareholders. We believe the way in which a business approaches Environmental, Social and Governance ("ESG") risks and opportunities also provides a valuable insight into a company's culture and the time horizon of its strategy.

We firmly believe that a properly integrated and client-focused approach to ESG will deliver better outcomes for investors over the long term. A company's approach to the environment, combined with the way in which it manages its social impact, will continue to underpin its licence to operate, which is essential to long-term value creation.

Sebastian Lyon

Founder and Chief Investment Officer

On behalf of Troy Asset Management Limited

Principle 1

Purpose, strategy and culture

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

Context

Troy is an independent investment boutique whose purpose since inception has been to preserve, grow and be a responsible steward of our clients' irreplaceable capital over the long term.

Troy was founded in 2000 by the late Lord Weinstock and Sebastian Lyon, on the premise that what matters to many investors is the real return generated by their assets. The objective was to create a fund management business that would serve investors who shared this same philosophy.

Lord Weinstock was the Managing Director of the General Electric Company ('GEC') for over three decades. He transformed the firm, increasing its turnover from £100m in the early 1960s to £11bn on his retirement in 1996. GEC held significant cash reserves on its balance sheet reflecting its conservative, long-term approach. Under his stewardship, the business expanded in a cautious and deliberate manner seeking long-term value for shareholders through careful capital allocation. This measured, longer-term approach to value creation is one of the characteristics which defines Troy's investment philosophy and is deeply rooted in the investment decisions we make.

Troy believes that a portfolio which suffers fewer and less destructive drawdowns will be in a better position to compound returns over the long run. All Troy's strategies continue to emphasise absolute over relative returns and seek to protect and grow the real value of investors' capital over the long term. We believe that the integration of ESG analysis and active ownership is essential to identifying what we consider to be the highest quality assets. As detailed further under Principle 7, these comprise a select universe of equities, developed market government securities, gold-related investments and cash.

As at 31 December 2022, Troy managed £14.8 billion of assets, across a range of Multi-asset, UK Equity Income, Global Equity and Global Equity Income strategies. Additionally, we offer an exclusions-based ethical capability in our Multi-asset, UK Equity Income and Global Equity Income strategies. We conduct thorough research and manage concentrated, low-turnover portfolios of our best ideas. Stewardship is promoted by our risk-averse approach, focus on high-quality, sustainable business franchises and long holding periods.

In seeking to minimise the risk of permanent loss of capital, Troy's approach is to:

1. Adopt a conservative approach, favouring the highest quality assets and avoiding unnecessary complexity, with our view of valuations driving asset allocation.
2. Invest in exceptional companies that can grow at sustainably high returns.
3. Seek to capture the compounding power of these great businesses through concentrated portfolios and long holding periods.
4. Place a heavy emphasis on understanding the material risks to any investment case, specifically avoiding:
    - Weak business models (business risk);
    - Excessive debt (financial risk);
    - Very high valuations (valuation risk); and
    - Poor corporate behaviours (ESG risk).

This approach embeds the integration of ESG analysis into our fundamental research process and our stewardship of our clients' assets involves an active programme of monitoring, engagement and voting.

We strive to act responsibly at all times and expect the same of the companies in which we invest. These guiding principles are core to Troy's investment approach and extend to how we work with our clients, employees, shareholders and wider stakeholders.

Troy's culture is one of intellectual honesty, curiosity and independent thinking. We promote a collegiate and collaborative workplace and aim continuously to improve the service we provide our clients. The views of each team member are respected and considered equal. New ideas are freely promoted and working assumptions are openly challenged. Diversity of thought is highly valued. In a rapidly changing world, it is through the support and development of our people that we will adapt and succeed, all the while remaining focused on our purpose of long-term capital preservation and growth for our clients.

When the business was founded, the Weinstock family owned 100% of the company. The ownership of the company has changed over time with a gradual transfer of the equity from the Weinstock family (who now own 34% of the firm) to those directly involved in managing the business (66%). Our Fund Managers are also co-investors in Troy's funds and investment trusts, further aligning their interests with the interests of our investors.

Activity

Stewardship has long been a fundamental component of Troy's approach and is recognised as such by all of Troy's employees. Our approach is to integrate ESG analysis and all aspects of stewardship into our investment process. The contributions of Investment Team members to this endeavour forms an integral part of the performance review and remuneration process.

As long-term investors, patience is a virtue we have sought to cultivate and reward. Our long holding periods and low staff turnover combine to deliver a high level of accumulated in-house knowledge across the Investment Team. We believe our long-termism and culture both contribute positively to the stewardship of our investors' assets.

Investment in high-quality equities is at the core of Troy's investment strategy. With corporate behaviour and ESG identified as key qualitative elements of quality, we have adapted our process in response to the environment in which our companies operate. We recognise that the materiality of environmental and social factors has increased as consumers and regulators have sought to differentiate between those companies acting in a responsible and sustainable way and those which are not. The availability of relevant information and data has also improved. These changes have resulted in a commensurate increase in our actions and focus on stewardship in our investment process.

During the year, we conducted thematic research on several ESG-related issues to which our portfolios are materially exposed. This research has informed and prioritised our engagement efforts, as illustrated by the public health case study provided under Principle 7. We have also participated in various collaborative initiatives, as detailed further under Principles 4 and 10.

Experience has taught us that culture and stewardship are inextricably linked. As such, we recognise that it is important that we provide our investors with an insight into our own culture and how it underpins our approach to stewardship. Troy is committed to investing in the Firm's culture, actively managing and supporting it through various initiatives.

In 2022, the Firm conducted a cultural review programme to address areas we believe are important to the Firm's development and future success. This included a series of meetings to provide feedback from working parents on their first-hand experience of combining parenthood with working life at Troy, to gather first impressions from recent recruits to learn how new joiners felt as they became integrated into the fabric of the Firm, and to gain insights from long-standing employees on how they perceive Troy's purpose and values. We believe that these initiatives contribute powerfully to fostering a spirit of inclusion and enable senior management to understand the needs of all employees as the Firm develops and grows.

Troy supports a wide variety of environmental and social initiatives both in the UK and overseas. We are committed to improving the way we operate and manage our business. In our view, all initiatives work best if they are underpinned at the grassroots level and our commitment to sustainability is no different; it starts in the office and with each employee. We recognise that the way we manage our clients' assets will likely have a far greater impact on mitigating climate change than the impact we can have as a small business in a single office location. Nonetheless, in recent years we have given greater prioritisation and consideration to our own modest operational footprint and the various initiatives Troy supports can be found in our Sustainability & Social Responsibility Report. For the third year running, Troy has been recognised as carbon neutral[1] by Carbon Footprint Limited, a leading independent carbon consultancy business. Whilst the measurement of our carbon footprint and offsetting our operational emissions is an important step, we recognise that the reduction of gross emissions is the real long-term aim.

2019 – 2020

102.67 tonnes of CO2 emissions

Offset through projects supporting the reduction of deforestation in Brazil, borehole rehabilitation in Uganda and the planting of trees in the Great Rift Valley, Kenya

2020 – 2021

38.25 tonnes of CO2 emissions

Offset through planting trees in the Great Rift Valley, Kenya

2021 – 2022

101.81 tonnes of CO2 emissions

Offset through the Malawi biomass cookstoves project and voluntary planting of trees in the Great Rift Valley, Kenya

Source: Troy Asset Management. Operational carbon neutrality as defined by Carbon Footprint Limited, which excludes portfolio emissions. Annual emissions calculated to 30 April (Troy's financial year end). Troy offset its market-based scope 2 emissions rather than its location-based scope 2 emissions. In 2021, we switched to a green energy tariff which has negated all location-based scope 2 emissions.

[1]Operational carbon neutrality as defined by Carbon Footprint Limited, which excludes portfolio emissions.

Troy also seeks to extend its positive influence beyond our immediate sphere into the wider community through our philanthropic activity. Troy has a history of supporting charitable causes dating back to 2010 when we were only 12 employees. Each year, our Board sets aside a meaningful allocation for charitable activities. In 2013 a Charity Committee was formally established to promote wider employee engagement in decision making and membership of the Charity Committee rotates on a biennial basis. This rotation of members helps ensure broad participation and inclusion in charitable initiatives across all areas of the firm. Additionally, every employee is invited to play a part in Troy's charitable activities. On an annual basis, each employee nominates a charity in which they or their family have a particular interest and a portion of Troy's annual charity budget is allocated accordingly. Troy's financial support for charitable causes amounted to £425,000 in 2022 and has exceeded £2m since 2011.

Troy achieved a Platinum Award in 2022 under the Payroll Quality Giving Mark, awarded by the Charities Aid Foundation (CAF). Payroll Giving is a unique and valued form of fundraising because it provides charities with regular income and helps them plan ahead.

PLATINUM AWARD 2022

PAYROLL GIVING

Source: Google images, 31 December 2022

Overall, in 2022 Troy sponsored over 65 charities in both the UK and overseas. A number of these are helping address the ongoing challenges posed by the Covid-19 pandemic (such as food banks and mental health), education for young people both in local communities and overseas, environmental initiatives, and the rehabilitation of prisoners via sponsorship and mentoring programmes. The charities below are illustrative of some of the causes that Troy has supported over the past year.

Whitley Fund for Nature (WFN) is a UK fundraising and grant-giving charity, which supports conservation leaders working in their home countries across the Global South. Over 29 years, WFN has channelled £20 million to more than 200 conservationists in 80 countries. WFN offers long term, laddered support to courageous changemakers leading local solutions to the global biodiversity and climate crises; they are acting on the latest science and igniting projects with passion. Through these award winners, WFN supports work rooted in communities that creates lasting benefits for wildlife, landscapes and people.

WFN SUPPORTING CONSERVATION LEADERS

Royal Botanic Gardens Kew

The Royal Botanic Gardens Kew is a world-leading charity dedicated to plant science and conservation. Troy has supported The Landscape Ecology Programme: Nature Unlocked. The Landscape Ecology Programme sees Wakehurst, Kew's wild botanic garden in Sussex, transformed into a living laboratory where scientists are researching nature-based solutions to environmental and social crises, such as climate change. Troy has supported their scientific research in climate adaptation and mitigation, particularly how carbon accumulates or is released in different environments, part of Kew's partnership with Defra, BEIS, Natural England, the Environment Agency and the Forestry Commission.

City Harvest puts surplus food to good use in a sustainable way by delivering free food for over 1 million meals a month to 375+ charities, including children's programmes, food banks, refuges for women fleeing domestic violence and families fleeing war-torn countries, and local groups across London welcoming the elderly and isolated.

African Gifted Foundation is an educational charity which funds The African Science Academy, a school outside Accra in Ghana, that aims to give the opportunity for gifted young women to gain science, technology, engineering and mathematics (STEM) A levels allowing them to access higher education.

The Longford Trust is about second chances for those who have spent time in prison. The charity provides a range of financial and mentoring support for serving and ex-prisoners to continue their rehabilitation at university.
The Longford Scholarship programme has, over the past 17 years, supported almost 500 young people, most of them in their 20s, to rebuild their lives through education after serving a prison sentence.

During the year, Troy hosted a Brilliant Breakfast for the women at Troy. The Brilliant Breakfast is an annual, nationwide event where the funds raised help The Prince's Trust support disadvantaged young women to change their lives for the better, through education or meaningful employment. Troy used the breakfast as an opportunity for female colleagues to discuss gender diversity in the workplace.

Outcome

Our consistent approach and long holding periods allow our knowledge of investee companies to deepen over time through research, monitoring and engagement, resulting in high conviction investment ideas. The compounding of returns over time has, in turn, delivered positive investment growth for our investors. Our long holding periods make ESG risks and opportunities increasingly material to the investment case for the businesses in which we invest, thereby promoting the importance of stewardship in our processes. Furthermore, the calibre of our research and our low turnover are recognised by investee companies, with both factors contributing to a high level of access to, and engagement with, company management teams.

We assess our effectiveness in serving the best interests of clients and beneficiaries using a variety of measures. Since Troy was founded, we have been careful to maintain the same well-communicated and distinctive investment approach and have demonstrated the discipline to practice it through multiple investment cycles. This has delivered enhanced risk-adjusted investment returns, including lower volatility and less severe drawdowns relative to the comparator indices. This is well illustrated in Table 1 which shows annualised performance since inception (net of fees) for Troy's principal investment strategies alongside maximum drawdown as a proxy for capital preservation. Together these metrics show Troy's effectiveness in both protecting and growing our investors' assets since inception in line with our philosophy.

TABLE 1: Annualised performance and maximum drawdown since strategy inception

	Inception Year	AUM	Annualised Performance Since Inception		Maximum Drawdown Since Inception	
			Troy Strategy	Comparator Index	Troy Strategy	Comparator Index
Troy Multi-asset Strategy	2001	£10,071m	6.8%	5.3%*	-13.7%	-45.6%*
Troy UK Equity Income Strategy	2004	£2,773m	6.8%	6.9%*	-28.1%	-45.6%*
Troy Global Equity Strategy	2013	£529m	11.0%	10.9%#	-21.7%	-26.1%#
Troy Global Equity Income Strategy	2016	£1,393m	7.4%	9.5%#	-18.9%	-26.1%#

Past performance is not a guide to future performance.

Maximum drawdown measures the maximum observed loss from a peak to a trough prior to a new peak forming. *FTSE All-Share Index TR #MSCI World Index NR. Source: Factset, net of fees since inception to 31/12/2022. Inception: Troy Multi-asset Strategy (31/05/2001), Troy UK Equity Income Strategy (30/09/2004), Troy Global Equity Strategy (31/12/2013), Troy Global Equity Income Strategy (01/11/2016). The information shown relates to a mandate which is representative of the relevant Troy strategy.

Additionally, over recent years the increased demand from our investors for ethical versions of our main strategies has been recognised and met by the launch of the Troy Ethical UK Equity Income Strategy in January 2016, the Troy Ethical Multi-asset Strategy in March 2019 and the Troy Ethical Global Equity Income Strategy in November 2021. By the end of 2022, cumulative fund flows into these strategies since their launch have contributed a combined AUM of over £1 billion. Annualised performance and drawdowns for these strategies are shown in Table 2. The flows into these strategies and subsequent performance are taken as confirmation of the demand for and success of our approach.

TABLE 2: Annualised performance and maximum drawdown since ethical strategy inception

	Inception Year	AUM+	Annualised Performance Since Inception		Maximum Drawdown Since Inception	
			Troy Strategy	Comparator Index	Troy Strategy	Comparator Index
Troy Ethical Multi-asset Strategy	2019	£771m	6.1%	4.4%*	-8.9%	-35.3%*
Troy Ethical UK Equity Income Strategy	2016	£299m	4.3%	6.6%*	-25.4%	-35.3%*
Troy Ethical Global Equity Income Strategy	2021	£31m	1.1%	-4.8%#	-10.4%	-15.3%#

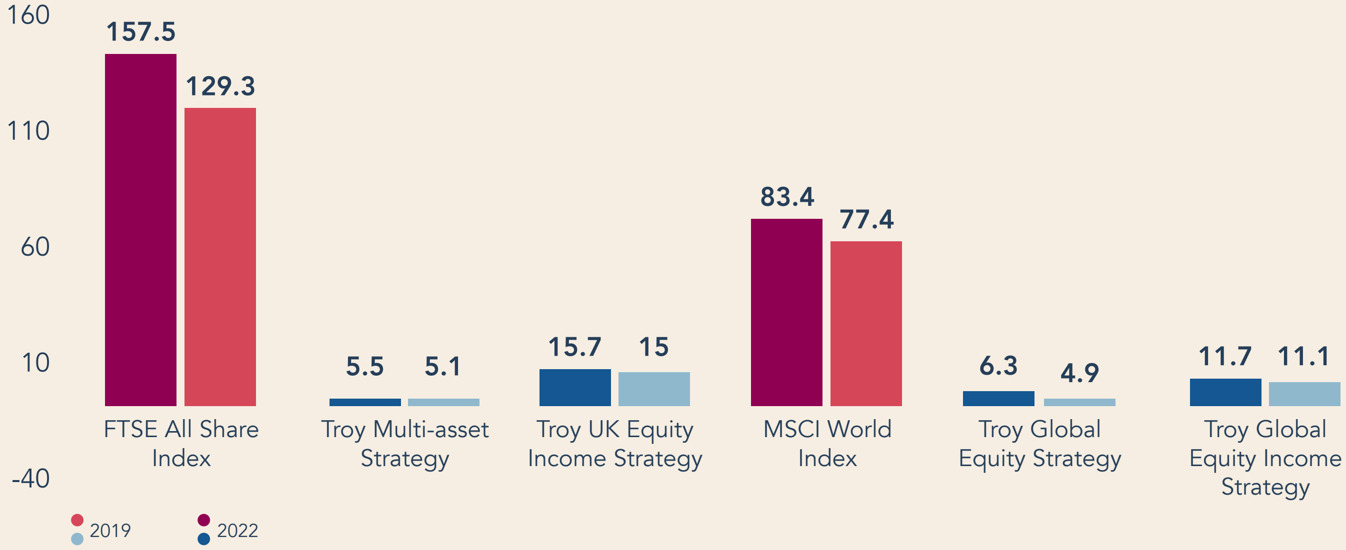
Past performance is not a guide to future performance.

+AUM of the ethical strategies is already included in the AUM for the non-exclusion bases strategies in the table above.

*FTSE All-Share Index TR. #MSCI World Index NR. Maximum drawdown measures the maximum observed loss from a peak to a trough prior to a new peak forming. Source: Factset, net of fees since inception to 31/12/2022. Inception: Troy Ethical Multi-asset Strategy (22/03/2019), Troy Ethical UK Equity Income Strategy (06/01/2016), Troy Ethical Global Equity Income Strategy (01/11/2021). The information shown relates to a mandate which is representative of the relevant Troy strategy.

Another way of assessing how effective our strategies have been in serving the best interests of clients and managing the climate-related risks our portfolios are exposed to can be seen in Table 3. This shows the carbon footprint (defined as tons of carbon dioxide emitted per US$1 million invested) for Troy's strategies. All of Troy's portfolios have a carbon footprint that is an order of magnitude lower than their respective comparator indices which means they are less exposed to the costs and risks of transitioning to a low carbon economy.

TABLE 3: Portfolio Carbon Footprint (Tons CO_2e / $M Invested)*



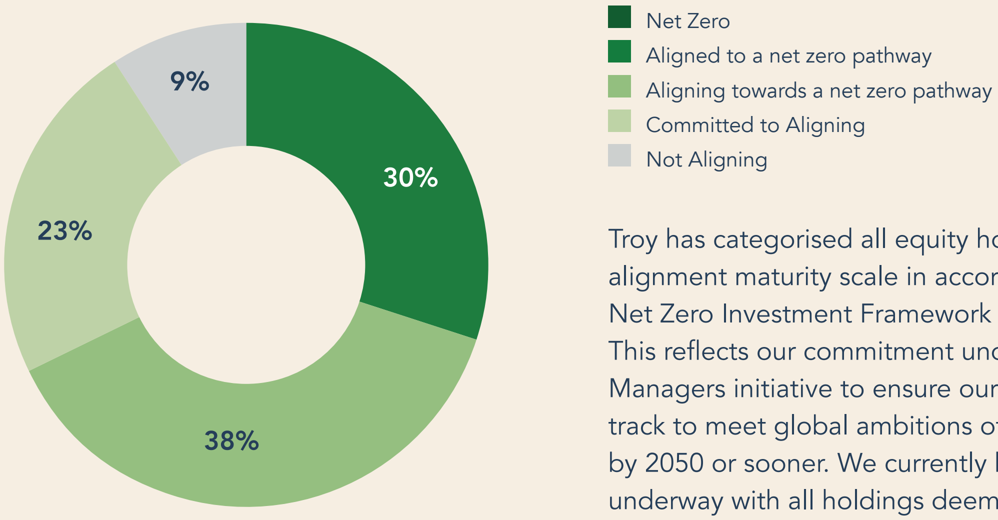
*Carbon footprint calculated using market capitalisation.

Source: MSCI ESG Manager, portfolio holdings as at 31 December 2022 and data as at 4 January 2022. Asset Allocation subject to change. The information provided is based on calculations relating to corporate securities only. Where the fund holds other asset classes, such as cash or government bonds, these are excluded from the portfolio.

Troy's investment approach typically avoids capital intensive and highly cyclical businesses, including investments in assets that are more exposed to transition-related climate risk. In 2022, Troy's Investment Team conducted a number of iterative assessments of each equity holding's alignment with a net zero pathway. In accordance with the requirements of our Climate Change Mitigation Policy and our commitment under the Net Zero Asset Managers initiative (NZAM), each company has been plotted along an alignment maturity scale informed by the Net Zero Investment Framework[2] methodology.

[2]For further details of the Net Zero Investment Framework, please see methodology here.

Current Alignment with Net Zero by 2050 as at 31 December 2022



Source: MSCI ESG Manager.

Troy has categorised all equity holdings along an alignment maturity scale in accordance with the IIGCC's Net Zero Investment Framework methodology. This reflects our commitment under the Net Zero Asset Managers initiative to ensure our investments are on track to meet global ambitions of net zero emissions by 2050 or sooner. We currently have engagements underway with all holdings deemed 'not aligning', our goal is to move all holdings along the climate maturity scale with the ultimate objective of achieving net zero. For further information please see Troy's Climate Change Mitigation Policy.[3]

To ensure the best interest of clients and investors are being served, Troy also regularly assesses a range of additional factors in addition to performance, carbon emissions and alignment with net zero. These include product suitability, third-party fund assessments, fund flows, the tenure of client relationships, investor meetings and presentations, and investor feedback from these many interactions. This analysis informs all aspects of the development of our business including our investment process, product development, product governance, resourcing and client servicing. Independent value assessments are carried out across Troy's UK retail funds by the Authorised Corporate Director on an annual basis. Their assessments review fees, performance, and reporting to investors to ensure that our funds are serving the best interests of our clients. These assessments are subsequently reviewed and acted upon, if necessary, by Troy's Product Governance Committee.

Troy regularly updates our investors through online webinars, seminars and the provision of fund factsheets, investment reports, quarterly investment commentaries and quarterly responsible investment (RI) reports. In 2022, Troy introduced quarterly ESG fund reports in response to growing investor demand for more ESG insights specific to each fund. These fund reports include disclosure of climate-related metrics, engagement examples and voting activities over the quarter. These reports are available to investors upon request.

Troy has been a signatory to the United Nations' Principles for Responsible Investment (UN PRI) since 2016 and the outcome from Troy's 2020 UN PRI Assessment Report is used by the firm as a third-party assessment of our stewardship activities. Troy received three or four out of five stars for our submission in relation to calendar year 2020 in all areas for which we were graded. We anticipate the UN PRI conducting their next assessment report during 2023.

[3] This policy outlines the consideration of climate risk in our investment decision-making process for mandates which meet the criteria under Article 8 of the European Union's Sustainable Finance Disclosure Regulation.

Case study: Experian

Troy's purpose and investment beliefs are illustrated by our long-term holding in Experian, a leading credit bureau and information services business. Troy originally purchased a stake in Experian after its independent listing in 2006 and the stock is held across several of our strategies.

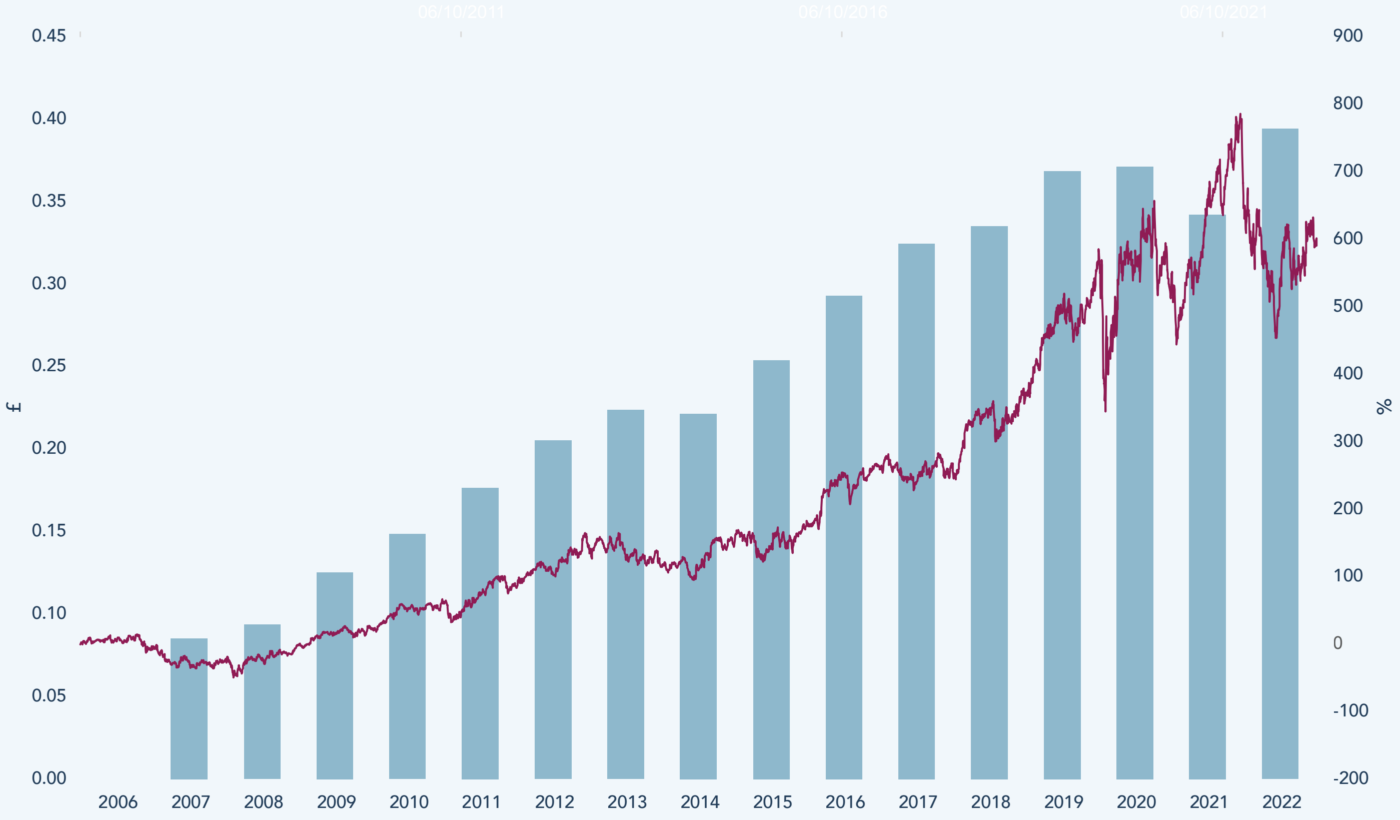
Experian typifies many of the characteristics that Troy's investment philosophy favours. The company is a leading player in a growing industry and benefits from strong competitive advantages. It is cash generative, well-managed and delivers attractive returns on invested capital. In addition, Experian has a clear purpose and culture that both imbues the organisation and supports its success.

Experian is a vital cog in modern consumer credit markets, supplying the data that allows businesses and consumers to make informed financial decisions. The company's purpose is 'to create a better tomorrow for consumers, our clients, our people and communities'. At its heart, Experian aims to improve financial health for all by promoting greater financial inclusion and helping consumers gain access to fair credit. By doing so, the company delivers a positive societal impact whilst also supporting the long-term growth of its business. Experian has reached 82 million people through its social innovation products since 2013 and has a goal to reach 100 million people by 2025. The company also has an objective to connect with 100 million people by 2024 through its United for Financial Health programme, which aims to improve financial education via partnerships with NGOs. The purpose of providing access to credit for those who would otherwise be excluded from the financial system resonates strongly with consumers, businesses, employees and an increasingly conscientious shareholder base. It also supports a strategy that helps differentiate Experian from the other credit bureaux. Experian is distinguished in having a direct-to-consumer offering which gives consumers increasing control over their own data and aligns well with emerging regulatory and societal trends.

In keeping with Experian's purpose to create a better future, the company is also committed to improving diversity, equity and inclusion (DEI). For instance, in 2021, Experian set three-year targets to improve gender diversity across the business, including 40% representation of women among senior leaders, 42% among mid-level leaders and 47% across the entire workforce. Such targets are illustrative of Experian's 'people first' culture and its belief that treating employees well is an important element of achieving high performance. As a people-based business, the ability to both attract and retain talented people can be a powerful competitive differentiator over time.

Troy has been an active shareholder since first investing in the company and over the years we have met and engaged with Experian's management and board on a range of topics, including remuneration and board diversity. The objective of our remuneration engagement was for Experian to incorporate relevant ESG metrics into employee incentive schemes, to reflect the company's expanded corporate social responsibility agenda. Whilst the company is yet to do so, it remains under consideration. With regards to board diversity, we have emphasised our belief that improving international experience and gender diversity, as well as bringing on individuals who can offer global perspectives into technology, particularly in the areas of enterprise SaaS, consumer internet and data services, will enhance the overall quality of the board. Throughout our time as investors, we have worked towards the pursuit of long-term and sustainable value creation.

Experian Cumulative Total Return and Dividend Track Record



Past performance is not a guide to future performance.

Source: Bloomberg, 31 December 2022.

Dividends paid (£) [LHS]

Total return [RHS]

Principle 2

Governance, resources and incentives

Signatories' governance, resources and incentives support stewardship.

Governance

Troy's independent structure, robust governance model, and strong cultural values form the foundation of our approach to effective stewardship of our clients' assets. We remain a privately-owned company and we have always sought to maintain a simple but effective organisational structure, overseen by a board of directors ("the Board") with strong representation by Non-executive Directors with a diverse range of industry backgrounds.

Our governance structure, summarised in Table 4 below, has evolved as the business has grown. Troy's Board has established a number of committees to which it delegates responsibility. Each committee has its own terms of reference and meets on a periodic basis and can also be convened on an ad-hoc basis to deal with any matters arising. Committee members are selected from the relevant areas of the business to ensure that each committee has the appropriate level of knowledge and experience to discharge its responsibilities. A recent notable change in relation to stewardship is the creation of the Responsible Investment & Climate Committee.

TABLE 4: Troy's Board & governance structure showing the principal committees relating to stewardship

Board of Directors	Headline responsibilities
Chaired by Troy's Non-executive Chairman Membership comprises Executive and Non-executive Directors	• Meets quarterly • Oversight and control of the management of the Company • Sets the strategy of the Company • Responsible for stewardship activities and compliance with our Responsible Investment & Stewardship Policy
Executive Committee	**Headline responsibilities**
Chaired by Troy's Founder & Chief Investment Officer Membership drawn from Executive Directors, Senior Fund Managers, Business Development and Operations	• Meets monthly • Day-to-day management of the business • Executing the Company's strategy • Ensuring the Company's culture and values are maintained • Ensuring the Company's systems & controls are operating effectively • Committee members approve amendments to the Responsible Investment & Stewardship Policy
Audit Committee	**Headline responsibilities**
Chaired by Independent Non-executive Director Membership drawn from Non-executive Directors	• Meets at least twice each year • Oversight of financial reporting • Oversight of audit of internal controls • Appointment & review of external auditor
Remuneration Committee	**Headline responsibilities**
Chaired by Independent Non-executive Director Membership drawn from Non-executive Directors	• Meets at least twice each year • Oversight of the Company's Remuneration Policy • Oversight of incentives and remuneration, including senior management remuneration
Risk Management Committee	**Headline responsibilities**
Chaired by Troy's Chairman Membership drawn from Investment, Business Development, Risk, Operations and Compliance	• Meets quarterly • Management and implementation of Troy's risk management framework • Oversight of the Company's Risk Management Policy • Oversight of conduct risk

Responsible Investment & Climate Committee	Headline responsibilities
Chaired by Deputy Head of Research Membership drawn from Investment, Business Development, Risk, Operations and Compliance	• Meets quarterly • Responsible for the implementation of our Responsible Investment & Stewardship Policy and activities • Responsible for the review of service providers • Bi-annual report to the Board of Directors • Reviews & monitors engagement and voting • Minutes are provided to the Executive Committee
Charity Committee	**Headline responsibilities**
Chaired by Senior Fund Manager Membership drawn from Investment, Business Development and Operations	• Meets at least twice each year. • Responsible for the implementation of the Charitable Giving Policy
Product Governance Committee	**Headline responsibilities**
Chaired by Finance Director Membership drawn from Investment, Business Development, Operations and Compliance	• Meets at least twice each year. • Responsible for implementing the Firm's product strategy • Reviews the Firm's product governance processes and procedures • Reviews proposed new products and proposed amendments to existing products • Periodically reviews existing products
Trade Oversight Committee	**Headline responsibilities**
Chaired by Chief Operating Officer Membership drawn from Investment, Dealing, Operations and Compliance	• Meets quarterly • Monitors trade execution quality for all asset classes • Provides effective challenge and oversight of the trade execution process • Oversees the operational systems and controls in place across the trade lifecycle

As at 31 December 2022.

Our approach to the governance of stewardship activities has developed as the materiality of environmental and social factors has increased. In 2018, we created a Responsible Investment Committee. Following a review of our governance structures in 2020, we extended the committee's remit to include climate and the enhanced Responsible Investment & Climate Committee (RI&CC) subsequently became a sub-committee of our Executive Committee.

Troy's Head of Research is ultimately accountable to the Board for our responsible investment and stewardship activities and, together with the Chief Investment Officer (CIO), supervises the Deputy Head of Research who chairs the Responsible Investment & Climate Committee.

The Deputy Head of Research is responsible for our Responsible Investment & Stewardship Policy and the implementation of the associated systems, processes and training required to deliver Troy's responsible investment objectives. On an annual basis, the Deputy Head of Research formally reports to the Board on Troy's approach to responsible investment, including progress made on integration, voting, engagement, service providers, training and governance.

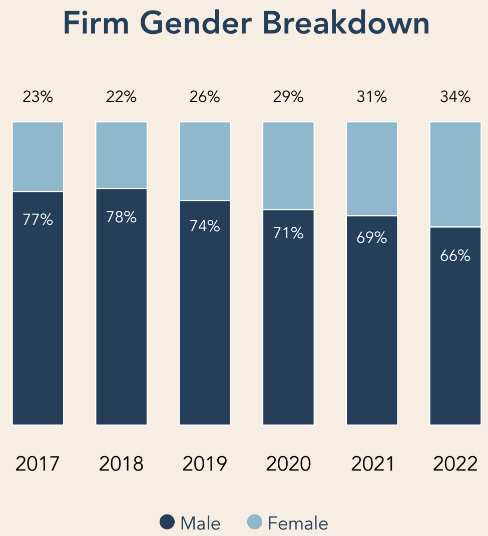
The Risk Management Committee, amongst other responsibilities, is charged with overseeing conduct risk, the management of which is crucial to ensuring that our culture remains client-centric and employees understand the importance of conduct in shaping the culture of the Company and their contribution to overall compliance and integrity. Detail on how we responded to systemic risks in 2022 is included in our response under Principle 4.

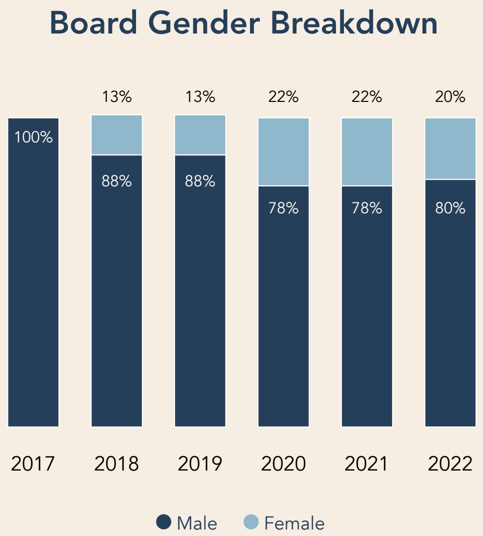
Resourcing

Our people are the core of our business. We maintain our reputation for high standards of business conduct by setting, monitoring and upholding the cultural values and ethics of the firm. We invest in training and development to build a culture that generates excellence and diversity of ideas, including in relation to our stewardship activities. Troy is committed to creating a culture where respect and understanding are fostered, and where the diversity of peoples' backgrounds and circumstances is positively valued. Embedding these principles is central to the long-term success of our investment approach and to the benefit of our clients and investors.

We seek to encourage diversity across a wide range of characteristics, including gender, age, ethnicity, experience and education. Troy's Equality, Diversity & Inclusion Policy and Equal Opportunities Policy aim to ensure that no job applicant or employee receives any less favourable treatment on grounds of age, disability, gender, race, nationality or ethnicity, religion or beliefs, pregnancy or maternity, marital status or civil partnership or sexual orientation. It further aims to ensure that individuals are selected, promoted and treated on the basis of the individual's own skills, abilities and performance, and all employees are encouraged to take advantage of the opportunities available to progress their career within the Company. An inclusive culture promotes employee happiness, aligning their individual goals to those of the business, which in turn supports staff retention and development.

Whilst employee turnover at Troy is well below industry average (at only c. 4% over 5 years), the success and growth of our business in recent years has enabled us to effect change in the diversity of our workforce. By gender, 62% of new hires over the past three years have been female. We would expect this trend to continue, allowing us to approach gender parity over the medium term. Over this same term we are also committed to improving our diversity on a broader range of characteristics as part of our wider commitment to diversity and inclusion.





Troy's Investment Team comprises 14 members who are collectively responsible for the integration of ESG into Troy's research and analysis as well as engagement and voting. The analysis of ESG factors is not an adjunct or an overlay to our process. Stewardship and ESG research are deeply integrated into Troy's investment research and inform our opinions on the long-term prospects for every company we own.

Those responsible for the implementation of stewardship at Troy has a wide variety of qualifications including graduate/ post-graduate degrees across a range of disciplines including business and finance, but also politics, history, languages, engineering and sciences. A number have studied internationally; two team members have MBAs/ Masters in Finance, two have PhDs and one has a MSc in Environmental Technology. All have further professional qualifications (predominantly CFA or ASIP/CFA UK) or are currently working towards those qualifications.

Most Investment Team members have worked elsewhere prior to joining Troy, bringing diverse experiences and knowledge of different approaches and working practices. In terms of age, our youngest Investment Team member is 24 and our oldest is 54. The mean age is 40.

From a gender perspective, we have two female fund managers and one female analyst. At a firmwide level, 34% of Troy's workforce is female. GAIN is one of Troy's preferred recruitment channels for its Investment Team's internship programme with the longer-term goal of increasing further the gender diversity of our team. Over the course of the year, Troy engaged an intern through the GAIN internship programme.

Case study: GAIN (Girls Are INvestors)

Troy is a founding sponsor of GAIN, a charity co-founded by Charlotte Yonge, the Fund Manager of the Trojan Ethical Fund. GAIN seeks to promote diversity within the fund management industry by increasing the number of female applicants for corporate entry-level investment roles.

GAIN inspires young women with a strong network of female role models, who speak in secondary schools and universities around the UK on the many benefits of investing as a career. By creating an environment in which members of our team can pursue such initiatives, Troy is able to build a richer culture, improve diversity through our industry and promote ideas such as collaboration and social impact that are closely linked to the tenets of stewardship.

In 2022, Troy also sponsored SEO London, a charity which supports young people from under-represented and under-served backgrounds in their professional development and long-term success within leading global industries. Troy hosted an event where we presented insights into investment management and provided professional and career advice to aspiring investors. Troy also used SEO London as a recruitment channel for its Investment Team's internship programme in 2022.

Under Troy's continuous professional development programme, all members of staff are encouraged to develop their understanding and knowledge of stewardship and responsible investment matters. For members of Troy's Investment Team, we also host external speakers to present on salient ESG topics and share their expertise and insights. In 2022, we hosted Alex Edmans from the London Business School to talk about business purpose and the importance of value creation for a company's wider-stakeholder group.

Additional professional development included:

External Consultants: Members of the Investment Team have previously received training in voting and engagement by an external consultant and key members of the Investment Team have had extensive training via third party ESG data providers we use.

Responsible Investment Bodies: Troy regularly makes use of training, webinars, seminars and conferences provided by ESG focused industry bodies including, but not limited to, Investor Forum, IIGCC, NZAM, CA 100+ and the UN PRI. The latter provides an important annual conference providing the latest thinking on engagement and effective collaboration, which is attended by members of the Investment Team and Business Development Team.

Internal Training: Members of our Investment and Business Development Teams receive internal training covering issues such as the evolution of Troy's ESG integration. In 2022 these focused on Troy's climate strategy and social risks.

External Courses: Various members of the Business Development and Investment Teams have also completed the CFA Institute Certificate in ESG Investing to expand their knowledge and understanding in this fast-growing field.

Troy has an investment universe of companies that meet our quality and risk criteria. Troy's strategies share the same investment philosophy and all the stocks held across Troy's mandates emanate from this investment universe. Analysis of ESG factors is a core component of Troy's fundamental research and an important determinant of which companies make it into Troy's investment universe and which do not. Rather than employing a separate ESG team, ESG analysis is fully integrated into Troy's investment process and carried out by Troy's Analysts and Fund Managers.

Our bottom-up research aims to understand how ESG factors may affect the revenue growth, profitability, and value of each company. We assess companies on the ESG factors that are specific to them and which we believe could materially impact their long-term health. ESG analysis is embedded in our in-house research notes and often forms part of our monitoring process during meetings and reviews, which is particularly important given that materiality changes over time. Governance and climate risk are systematically reviewed as part of the annual AGM voting process. Stock specific ESG integration also informs our engagement and voting activities where we feel a company is performing inadequately on a material ESG factor.

ESG risks are considered alongside other types of risk such as business risk, financial risk and valuation risk. We would seek to avoid investing in a company that is exposed to ESG risks which we consider to be intolerably high, particularly where our analysis reveals that such risks are not adequately managed and may impair our ability to generate positive risk-adjusted returns for our investors.

In addition to company-specific ESG analysis, we conduct thematic research on ESG risks and opportunities that affect a number of holdings and may be more systemic in nature. This is particularly useful when developing our understanding of rapidly evolving social and environmental factors. Our thematic research also allows us to identify leaders and laggards on a given ESG topic and guide our understanding of best practice, often informing our engagement activities in areas such as supply chain labour risk, modern slavery, water security and climate change.

Troy retains responsibility for all aspects of stewardship including its engagement and voting decisions, except in cases where segregated account clients maintain voting rights. The external research and data we receive in relation to ESG is used only as an input to our own primary research. Troy does not outsource voting decisions or engagements to any third party.

To supplement internal research, we use various external research resources to assist the team in understanding ESG risks and issues associated with portfolio investments and in carrying out stewardship activities:

- Each member of the Investment Team has access to MSCI ESG research which is provided by way of MSCI ESG Manager. This service provides qualitative analysis of ESG factors, for both corporate and sovereign issuers, alongside ESG ratings for both. Troy also subscribes to MSCI's climate data and MSCI Climate Value-at-Risk tool and receives additional climate data from sources such as company filings, CDP and Climate Action 100+.

- ISS Europe Limited assists with the execution of our voting activities and provides us with research in relation to voting through the ProxyExchange Platform. ISS Europe Limited also provides research by way of its ISS-Ethix product in relation to breaches of the 10 principles of the UN Global Compact.
- Moody's ESG Solutions (previously Vigeo EIRIS) provides analysis which assists us in monitoring the behaviour and activities of companies and provides screening for our portfolios which are invested subject to exclusion criteria.
- Bloomberg provides access to all types of financial and non-financial data, with increasing availability of ESG-specific metrics.
- Our Investment Team has access to a wide variety of third-party research publications, some of which are dedicated to Responsible Investment and Stewardship.

Troy's Responsible Investment & Climate Committee is formally mandated to review and approve the appointment of responsible investment and climate-related service providers, thereby ensuring that the external systems and data we utilise in our process as described above remains best suited to our needs. Due diligence is carried out on all providers prior to onboarding and on a periodic basis thereafter.

Incentives

We seek to ensure a close alignment of interests between all members of staff and our investors and clients. This helps to ensure that we put the best interests of clients and beneficiaries first by reducing the potential for the interests of employees and investors to diverge. We encourage all members of staff to invest in the Company's funds and each fund manager invests a material proportion of their annual remuneration in Troy's funds. Approximately half of the company's employees own shares in Troy.

We are committed to maintaining remuneration structures that promote effective risk management, responsible business practices and do not encourage excessive risk taking. The Remuneration Committee implements, oversees and administers all the Firm's remuneration arrangements, including the discretionary annual bonus scheme and any share-based incentives.

As noted above, our long-term approach to investment means that we have developed an investment process where stewardship is an integral part of the investment decision-making process. Remuneration is, of course, linked to performance. However, we do not attach pay schemes to explicit targets and no element of remuneration is formulaically linked to investment returns. A discretionary annual bonus scheme is operated on the basis of the Firm's financial performance and the individual performance of eligible staff over time. This would include their personal contribution to the well-being of the Firm, its good conduct and compliance with applicable compliance manuals and policies. Members of the Investment Team are also assessed on their contribution to the Firm's responsible investment and stewardship activities as part of the Firm's annual performance review process.

To ensure that the Firm's remuneration structure encourages effective risk management, the Firm requires any individual who receives bonuses in excess of a certain threshold to defer a proportion of their after-tax bonus.
To further align staff interests with those of clients, investors and shareholders, the amount of any bonus required to be deferred must be applied to the purchase of shares in Troy or funds/investment trusts to which the Firm has been appointed Investment Manager. The shares purchased must be held for a minimum of three years from the date at which the bonus is paid to the relevant individual. By doing this, we seek to mitigate the risk of a Fund Manager being incentivised to take inappropriate risks for short-term gains.

Outcome

Since Troy's inception, robust governance oversight of our investment approach has delivered long-term value for clients as shown under Principle 1. Our long-term approach to investing is underpinned by the integration of stewardship into our investment decision-making. This is embedded in our culture and reinforced by our remuneration structure and equity alignment. As our approach to stewardship has developed, we have recognised the need to increase the resources dedicated to it.

Over recent years, Troy has invested significantly in people, processes and technology to support our stewardship framework. In 2022, we hired an additional investment analyst with specific stewardship expertise. We have contracted with multiple data and technology providers to supplement our internal ESG research. We have enhanced our internal processes, including our engagement methodology, responsible investment reporting to clients and proxy voting. These measures have substantially strengthened our internal stewardship resources and capabilities.

During the year, the Responsible Investment & Climate Committee oversaw the setting of Troy's net zero targets which were submitted to the Net Zero Asset Managers initiative in July 2022. Other responsibilities included the oversight of the publication of Troy's inaugural Climate Report in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and reviewing Troy's climate-related policies.

Further information on how we assure our processes and assess the effectiveness of our activities is included under Principle 5.

Principle 3

Conflicts of interest

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

Context

We believe there are three core types of conflicts of interest which may affect our business. These are: (a) between an employee and the Firm; (b) between the Firm and its clients; and (c) between two or more clients of the Firm. How we seek to identify and prevent potential conflicts of interest and, where necessary, put in place measures to manage any such conflicts is specified in our Conflicts of Interest Policy. This policy is reviewed and updated by Compliance at least annually. Examples of conflicts relating to stewardship are detailed in Troy's Responsible Investment & Stewardship Policy.

Activity

Each department within the Firm maintains a register of actual or potential conflicts of interest. The register outlines the potential or actual conflict and the controls which the Firm has in place to mitigate or manage such conflicts. Named people within the organisation are responsible for that register, which is reviewed at least annually with Compliance. Each departmental register is combined to form an overall register of conflicts which is maintained by Compliance.

On a quarterly basis, the Compliance Team reviews the consolidated conflicts register and reports any new conflicts to the Executive Committee. In addition, the Compliance Team produces a report for the Board at least annually summarising the register and the most material conflicts affecting the Company. The potential for additional conflicts of interest is considered on a periodic basis, such as each time Troy takes on a new client or considers launching a new fund.

We have identified various potential conflicts of interest relating to stewardship, each of which is recorded in our conflicts of interest register. During 2022, one of these potential conflicts materialised. As described in the second case study below, one of Troy's Non-executive Directors is also a Director of a business which was already in Troy's investment universe and which Troy subsequently invested in. This conflict of interest could influence our stewardship activities, such as voting. The case study highlights the importance of having a process in place to identify potential conflicts, so that when they occur, the Compliance Team is able to implement the relevant additional controls to ensure these are effectively managed.

We seek to ensure a close alignment of interests between all employees and our investors and clients. Our approach to personal account dealing further evidences our mitigation of the potential for the interest of employees and investors to diverge. Whilst investment in Troy funds is encouraged, personal account dealing more widely has the potential to lead to conflicts of interest. Troy prohibits members of staff from purchasing any investments in listed securities (excluding investment trusts and collective investment schemes) which limits the possibility of such a conflict arising. Adherence to the policy is monitored by our Compliance Team.

A further example, featured in the first case study below, relates to the identification and management of any possible conflict in proxy voting instructions that may arise between Troy's strategies.

In summary, we seek to ensure the interests of clients and investors are always put first. This is achieved through a combination of Troy's Conflicts of Interest Policy and procedures, together with our culture and encouragement of good behaviours, alongside regular staff training and other Firm policies.

Case study: Potential Voting Conflicts

We recognise that wherever possible it is preferable to ensure consistent voting on any resolution and that voting is incorporated as part of Troy's wider engagement with companies. However, Troy manages four main strategies, each with different investment objectives and policies. The Firm is aware of the potential for conflict in relation to voting on behalf of specific strategies with differing objectives. For example, our income strategies may have a preference to receive dividends, whereas growth mandates may opt for share buybacks or reinvestment of profits. Company AGMs regularly ask shareholder approval for share buybacks and in such an instance each manager is required to instruct voting on the assets they manage and may, if warranted, vote on the assets within their own strategy independently from others, although this is uncommon.

During 2022, prior to each AGM, the relevant Investment Analyst reviewed all agenda items, carrying out analysis as necessary, and recorded the vote recommendation and rationale. This voting note was then circulated to all Fund Managers who held the stock within their portfolios, to review and confirm whether they agree with the proposal. Each Fund Manager considered the votes based on the specific objectives of each investment mandate and had the autonomy to choose to cast votes against the analyst's recommendations should they consider it to be in the best interests of their respective investors to do so. There were no instances of such a conflict arising in 2022.

At the end of 2022, we further strengthened our process by creating a custom voting policy with ISS to ensure consistent voting on corporate governance issues, which came into effect in 2023. These are informed by best-practice standards and the corporate governance codes of the jurisdictions in which we invest. Troy's Investment Analysts and Fund Managers review the policy recommendations and may at times decide to override Troy's custom voting policy when circumstances dictate a divergence to be in the best interests of underlying investors, based on the specific objectives of each investment mandate. In such an event the rationale is recorded. Voting recommendations on shareholder proposals are not currently included within this policy as their more nuanced nature often requires an analysis of the wider context and implications for long-term shareholders. Voting on such proposals is therefore done on a case-by-case basis.

Case study: A Troy Non-executive Director is a Director of a Business within Troy's Investment Portfolio

Troy's Investment Team maintains an investment universe of c.170 equities which have been researched and are monitored by Troy's Investment Team. All equity investments held within Troy's portfolios are selected from this investment universe. We previously reported that a Non-executive Director of Troy also holds directorships at two companies within Troy's investment universe. During the period under review, an investment was made in one of these companies. We had previously recognised the potential conflict from investing in a company with which Troy shares a Director, in particular in relation to engagement and voting. In order to mitigate the conflict, the Compliance Team had set up a 'watchlist' of such stocks within the Firm's compliance monitoring system and pre-approval is required for investments in these companies. The Compliance Team considered the relevant regulatory aspects, such as conflicts of interest and the required enhancement of processes in order to effectively manage the conflict and the trade was only then approved.

Subsequently, to ensure we are effectively managing the conflict in relation to this stock, the company was added to a watchlist with Troy's third-party proxy voting adviser, whereby the Compliance Team will be notified each time the company AGM requires voting. In 2022, in line with the Investment Team's standard process for voting, the relevant Investment Analyst responsible for covering the stock reviewed all votes and set out, in a voting note, the proposed votes and their rationale. The voting note is a templated note which, as well as covering the specific votes, is also used to formally refresh the ESG analysis on this company. This is circulated to all Fund Managers who hold the stock to review and confirm whether they agree with the votes on behalf of their clients. Following approval by the relevant Fund Managers, the voting note must be sent to the Compliance Team for review to ensure that votes have been cast in line with Troy's voting guidelines and have not been unduly influenced by the conflict. Once satisfied, the Compliance Team will send the voting instruction for submission. The Compliance Team will also review the ESG analysis and consider whether the appropriate engagements have been conducted. Additionally, all engagements are reviewed and overseen by Troy's Responsible Investment & Climate Committee, adding an additional layer of oversight.

Principle 4

Promoting well-functioning markets

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

Activity and Outcome

As noted under Principle 1, Troy's investment approach seeks to minimise the risk of permanent loss of capital. The identification of risk, and our mitigation of it, is therefore a central part of both the management of our business and our approach to the investment of our clients' assets.

As outlined under Principle 2, Troy's Risk Management Committee is responsible for the identification, oversight and management of risk across all aspects of our business, ensuring that appropriate measures are in place. Specifically, the Risk Management Committee seeks to identify, quantify and mitigate a broad spectrum of risks including: investment risk, liquidity risk, counterparty risk, operational risk, business risk, compliance and legal risk, financial risks (including currency risk and interest rate risk), conduct risk and ESG risk, which includes both physical and transition risks arising from climate change.

From an investment perspective, in addition to our efforts to avoid material stock specific risks through in-depth research and the ongoing monitoring of our investments, our approach also includes the identification of and response to market-wide and systemic risks.

Within our Multi-asset portfolios, the team assess asset class valuations and the influence that various market-wide risk factors, such as inflation, interest rates and currency fluctuations could have on future returns. The objective of Troy's Multi-asset Strategy is to preserve and grow our investors' capital in real terms over the long term. It achieves this through cautious, dynamic asset allocation based on our view of equity valuations, the careful selection of high-quality securities and an understanding of the impact of market-wide and systemic risks on each asset class. Whilst the core of the portfolio is liquid developed market equities, at times of elevated market risk the allocation to defensive asset classes is increased to minimise potential drawdowns. In addition to equities, other asset classes are selected on the basis of:

- risk diversification (e.g., gold-related investments and government bonds)
- safety and optionality (e.g., short-dated treasury bills and cash)
- inflation protection (e.g., index-linked government bonds and gold-related investments)
- currency hedging (e.g., forward FX contracts to reduce/ eliminate unwanted currency exposures in the portfolio)

Financial conditions tightened significantly in 2022 as interest rates increased to counter rising inflation, which proved not to be as transitory as many first thought. This had an adverse impact on returns across asset classes, with valuation multiples falling from the elevated levels they had attained in 2021. Against this backdrop, and in keeping with the overriding objective of capital preservation, Troy's Multi-asset Strategy continued to reduce exposure to risk assets. Equities represented 39% of the portfolio at the start of the year, and finished 2022 at 24%. The weighted average duration of the US Inflation-Linked Government bond holdings was relatively conservative at 6 years toward the end of 2022. Liquidity was increased throughout the year and the constituents changed from UK T-Bills to short-dated governments bonds, both in the UK and US, yielding over 4%. By the end of 2022, the Strategy was as defensively positioned as it has been at any time since launch. This reflected concerns that equity valuations were relatively high and failed to adequately discount the potential for a recession.

For Troy's equity strategies, our approach is to be fully invested. Market-wide risks are in part addressed by our approach to picking resilient businesses and the attention paid to valuation (as discussed further under Principle 7). Additionally, we integrate the consideration of ESG risks into our fundamental research and conduct thematic research to better understand and respond to systemic risks. During 2022, we undertook thematic research into a number of important areas including modern slavery, digital rights, public health and nutrition, deforestation, as well as further work on climate change. Our findings were used to guide our research and engagement programme with investee companies. Amongst such risks, climate change is recognised as one of the most material systemic risks facing society, the global economy and financial markets. Our work to analyse and respond to climate change illustrates Troy's approach to the analysis of such a systemic risk.

The physical effects of climate change pose a disruptive impact to both the wider economy and our business over the medium to long term. As businesses, governments and individuals work collectively to limit rises in global mean temperatures, both Troy as a firm and our investment strategies are also exposed to the transition risk associated with shifting to a low-carbon economy. As a single office investment management firm located in London with a relatively small operational carbon footprint, the climate-related risks associated with the assets we manage on behalf of our investors will be far greater in magnitude than those we face operationally. Effective risk management begins with a robust process for identifying risks, assessing their likelihood and potential impact. At a firm level, Troy has a standardised approach to the identification and assessment of risks, which is also followed for climate-related risks affecting the Firm. In 2022, we continued to include material climate risks on Troy's central risk register, including transition risks such as changing investor expectations and regulatory risks, and physical risks such as adverse weather events.

Physical risks

Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events (e.g. cyclones, droughts, floods and fires). They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns (e.g. sea level rise).

Transition risks

Climate-related risks can also be associated with the transition to a lower-carbon global economy, the most common of which relate to policy and legal actions, technology changes, market responses, and reputational considerations.

As the materiality of climate change has evolved, so too has Troy's integrated analysis of climate risks and opportunities into the fundamental analysis of all existing and prospective investments. While our exposure to high-impact sectors remains limited given our bias towards capital-light and non-cyclical businesses, we analyse the greenhouse gas emissions and associated mitigation strategies of all investee companies in order to limit our exposure to unmanaged climate-related risks.

Our ability to be selective about the sectors and stocks in which we invest, and our relatively low exposure to carbon-intensive industries and stocks, means we are less exposed to transition risk than our respective benchmark indices. This is an outcome of our approach and is illustrated in Table 5, which shows an analysis of carbon emissions by sector for Troy's strategies relative to their respective comparator indices. The highest emitting sectors are shown in red and the lowest in green. The analysis presented below shows not only that Troy is underexposed to the highest emitting sectors, but also that in most cases, we have selected lower-emitting companies within the sectors where we have exposure. As can be seen, overall, the carbon emissions of Troy's strategies are c. 90% below that of the relevant comparator index.

TABLE 5: Carbon Emissions by Sector: Troy's Investment Strategies vs Respective Comparator Index

	MSCI World Index*	Troy Global Equity Strategy vs Index	Troy Global Income Strategy vs Index	FTSE All-Share Index*	Troy Multi-asset Strategy vs Index	Troy UK Income Strategy vs Index
Utilities	794	Not Invested	Not Invested	223	Not Invested	-24%
Energy	292	Not Invested	Not Invested	471	Not Invested	Not Invested
Materials	464	Not Invested	Not Invested	398	-100%	-94%
Industrials	55	-99%	-93%	72	-99%	-94%
Consumer Discretionary	22	-99%	+219%	53	Not Invested	-2%
Consumer Staples	31	-16%	-70%	22	-58%	-61%
Communication Services	11	-91%	-99%	37	-96%	Not Invested
Health Care	5	-19%	-50%	7	-33%	+29%
Real Estate	13	Not Invested	+137%	6	Not Invested	-73%
Information Technology	5	-82%	-47%	4	-60%	-95%
Financials	8	-95%	-95%	3	-75%	-79%
Overall	77	-94%	-86%	129	-96%	-88%

Past performance is not a guide to future performance

*Emissions measured in metric tons of CO_2 emitted per $1m invested.

Source: MSCI ESG, portfolio holdings as at 31 December 2022 and data as at 4 January 2022. Asset allocation subject to change. The information shown relates to a mandate which is representative of, and has been managed in accordance with, the relevant strategy.

When carrying out fundamental analysis for prospective investments we consider the vulnerability of a company and its business model to climate-related risks and establish how well positioned it is to take advantage of opportunities arising from the transition to a low-carbon future. Initiation notes have a dedicated section on environmental risks and opportunities with specific prompts relating to the company's exposure to both physical and transition risks.

Climate-related factors considered in Troy's proprietary research may include but are not limited to:

- Carbon pricing and increased regulation
- Global energy supply and demand mix
- Disruptive technologies
- Net zero alignment and transition plans issued by companies
- Direct and indirect physical risk

As long-term investors we expend a considerable portion of our research effort on monitoring existing holdings. We monitor financial releases and meet with management regularly to build our knowledge of the company and ensure our investment thesis remains unchanged; this process includes monitoring the development of material non-financial factors such as the progress of a company's decarbonisation efforts. We conduct an annual governance and climate review of all holdings as part of our AGM and voting process.

To monitor the extent of risk exposure, we also support our own initial analysis with MSCI's climate data which takes into consideration a company's sector (carbon intensity, proneness to stranded asset risk or disruption risk) and geographical location (regulatory changes, carbon price introduction and physical risk exposure). This enables a better understanding derived from combining the quantitative carbon performance, transition and physical risk exposure data from MSCI with the qualitative analysis undertaken by Troy's Investment Team.

Climate issues identified in our research process are further explored during meetings with the management or sustainability teams of the companies concerned. During 2022, we carried out a supplementary in-house piece of analysis on the transition plans of our most carbon intensive investee companies using the Climate Action 100+ benchmark. This analysis will be repeated in subsequent years to measure progress against the benchmark and ensure any existing gaps in company transition plans are addressed. We may seek to engage where we believe progress is slow or where we see opportunities to create value and further minimise climate-related risks.

Our approach to climate risk continues to evolve. Like others in our industry, we are developing and utilising new tools to understand and respond to climate change and we recognise the role that collaborative action can play in achieving this, as discussed below and in further detail under Principle 10.

We believe that transparency and disclosures of climate-related risks and opportunities are a critical first step in promoting well-functioning markets. Troy published its inaugural 2022 Climate Report in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations to provide our stakeholders with information on Troy's approach to and management of climate-related risks and opportunities, both in our operations and our investment portfolios.

Collaborative Industry Bodies

Over the past few years, Troy has evolved its collaboration with wider stakeholders and industry groups to promote well-functioning markets. Whilst Troy has always sought to be a responsible market participant, the aftermath of the Global Financial Crisis and our recognition of the increased urgency to address climate change have meant that Troy has taken a more active stance in addressing the systemic aspects of ESG risks. Troy has consequently expanded its membership of collaborative engagement and policy-focused organisations. Troy has committed to developing its climate strategy in alignment with the recommendations of the TCFD. Additionally, Troy is also signatory to Net Zero Asset Managers initiative (NZAM) and the Carbon Disclosure Project (CDP), a member of the International Investors Group on Climate Change (IIGCC) and a participant in Climate Action 100+. In 2022, Troy signed the Global Investor Statement to Governments on the Climate Crisis facilitated by the Investor Agenda ahead of COP 27[4].

Our sponsorship and collaboration through The Investor Forum contributed to the development of an industry standard on plastic waste. This aims to address the systemic environmental risk posed by spills of granulated plastics along the manufacturing supply chain. These 'nurdles' are a major contributor to micro plastic pollution which represents a significant threat to marine biology and the complex systems that allow it to flourish, in turn impacting a significant part of the global food chain. The outcome of this collaboration was a BSI industry standard, which was launched in July 2021 and is now publicly available for industry use. In 2022, Troy also participated in the CDP's consultation on the development of plastics disclosure. We are encouraged by the attention received by the BSI standard and are looking for more opportunities to advance discussions with investee companies on their Polyarylsulfone use.

As noted under Principle 1, Troy has been a signatory to the UN PRI since 2016. Our ongoing involvement in this initiative underlines the importance we attach to incorporating ESG factors and stewardship, both within our investment process and to contributing towards a well-functioning financial system. Troy believes that through participation in and collaboration with the industry initiatives cited below we can assist in improving policy making and engagement with market participants and companies.

[4]The demands of the 2022 Global Investor Statement to Governments on the Climate Crisis and a list of signatories can be found here.

United Nations' Principles for Responsible Investment (UN PRI)

As part of the Firm's commitment to responsible investing, Troy became a signatory to the UN PRI in September 2016 and, as such, aims to make a positive contribution to the establishment of a sustainable economic and financial system. In 2022, members of Troy's Investment Team and Business Development Team attended the UN PRI's annual conference providing the latest thinking on engagement and effective collaboration.

The Investment Association (IA)

The IA is the trade body for UK investment managers. It works closely with the UK government, regulators, the European Commission, and other international bodies, to help shape the environment in which their members operate. Troy participated in the IA Investment Management Survey which is a critical data collection exercise and is a key source for industry participants, government and regulators.

UK Stewardship Code

Troy is a signatory to the UK Stewardship Code. The Code is a set of 12 Principles for asset owners and asset managers. It sets high expectations for how asset managers invest and manage money on behalf of UK savers and pensioners, and how this leads to sustainable benefits for the owners of assets as well as the economy, the environment and society.

Independent Investment Management Initiative (IIMI)*

Troy is a member of the IIMI (*formerly New City Initiative), a think tank that offers an independent, expert voice in the debate over the future of financial regulation. The IIMI gives a voice to independent, owner-managed firms to contribute to well-functioning markets and Troy is an active participant of the IIMI and attends various webinars and networking events.

Carbon Disclosure Project (CDP)

CDP is a not-for-profit charity that, over the past 20 years, has created a system that has resulted in unparalleled engagement on environmental issues worldwide. Please see case study below for examples of Troy's contribution to this initiative.

Task Force for Climate-Related Financial Disclosures (TCFD)

In recognition of the importance of the systemic risk posed by climate change and its influence on future returns, Troy has committed to implementing the recommendations of the TCFD. Troy published its 2022 Climate Report in early 2023.

The Institutional Investors Group on Climate Change (IIGCC)

The IIGCC is the European membership body for investor collaboration on climate change and the voice of investors acting for a prosperous, low-carbon future. Please see case study below for examples of Troy's contribution to this initiative.

Net Zero Asset Managers initiative (NZAM)

NZAM is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner. Troy published its Net Zero targets in July 2022.

Climate Action 100+

Climate Action 100+ is the leading collaborative engagement platform aimed at addressing systemic climate risk. Troy joined the initiative in early 2021 and became an active participant in an engagement with Unilever which is ongoing.

The Investor Forum

The Investor Forum, founded in 2014 as a direct recommendation of the Kay review, has two objectives: to make the case for long-term investment approaches and to create an effective model for collective engagement with UK companies. In 2022, Troy was the lead investor in a collaborative engagement with Unilever following the GSK bid, further details are included under Principle 9.

Girls Are INvestors (GAIN)

Troy is a founding sponsor of GAIN, which aims to promote diversity within the fund management industry by increasing the number of female applicants for entry-level investment roles. Troy's support of charities such as GAIN help promote diversity and inclusion to the benefit of the wider industry. In 2022 Troy hosted a group of GAIN interns for an investment insight programme over 2 days, as well as employing an intern over the summer period.

Sponsors for Educational Opportunity

Sponsors for Educational Opportunity (SEO London) is a UK-registered charity delivering superior educational, training, and mentoring support to young people from underrepresented and underserved backgrounds. In 2022, Troy hosted an event where we presented insights into investment management and provided professional and career advice to aspiring investors. Troy will also be using SEO London as a recruitment channel for its Investment Team's internship programme in future.

Case study: Climate Change – IIGCC, CDP and Investor Agenda Systemic risk explored: climate change and poor environmental disclosure.

The extreme weather of 2022 reinforced the gravity with which climate-related calamities can impact entire economies, communities and the health and stability of financial markets. For instance, severe floods in Pakistan submerged large swathes of farmland underwater, threatening the country's food security, and severely impacting its economy.

Elsewhere, more frequent and severe weather than in previous years served as a reminder of the physical impacts a likely overshoot in the 1.5 degrees above pre-industrial level warming, as agreed in Paris at COP15, will have. Here in the UK, we had the hottest year on record, with peak temperatures of 40 degrees Celsius. With the United Nations Environment Programme warning that in 2022 there was "no credible pathway to 1.5 degrees," we continued to enhance our analysis of climate-related risks over the course of the year.

Our integrated ESG approach seeks to mitigate investment risks by assessing the exposure of the underlying companies in which we invest to both transition risks and physical climate risk. Both the physical effects of climate change and the transition to a greener future pose challenges to many businesses; a failure to adapt and build resilience can result in the erosion of profitability, loss of competitive positioning or a decline in asset values. This in turn poses an investment risk to the shareholders of those businesses and heightens the likelihood of capital loss.

Poor disclosure by companies continues to be an impediment to carrying out effective research and understanding the extent of unmitigated risks to which we are exposed via our investment in companies. We believe that transparency and disclosure of climate-related risks and opportunities are a critical first step in promoting well-functioning markets, allowing investors to better integrate climate-risks into their analysis and decision-making.

As a signatory to the Carbon Disclosure Project (CDP), Troy has participated in a number of engagements during the reporting period. We played an active role in the CDP's annual non-disclosure campaign to encourage investee companies to respond to the CDP's annual questionnaires on climate, forests and water security. In 2022, Troy engaged with 13 companies on 16 disclosure requests. Troy was the lead signatory on six disclosure requests made to five different companies: Alcon, Domino's Pizza Group, Imperial Brands, PZ Cussons and Victrex.

We put ourselves forward to lead on engagements with eligible non-disclosing companies having identified them as priority candidates for engagement. The criteria used to determine those holdings was where Troy had identified climate change, deforestation or water security as a material risk to the business or where Troy owned a material stake in the company and was therefore well-positioned to influence a successful outcome.

The aim of the engagement was to prompt the companies to respond to the relevant CDP questionnaires. We had subsequent calls with both Alcon and Domino's Pizza Group, leveraging our long-standing relationships with them to encourage a response to CDP's questionnaires. We see the annual disclosure to the CDP as a valuable benchmarking and assessment exercise for companies to manage their outward environmental impact and similarly manage the risks they face arising from their dependence on natural capital. Where Troy did not have follow-up calls with companies, we reached a resolution with the companies in our written correspondence.

Domino's responded to all CDP questionnaires in 2022 and Alcon have informed us they will aim to complete the CDP questionnaires from 2023 onwards. Further details of this collaborative engagement and the outcomes are provided under Principle 10.

Given the systemic nature of climate risk and the need for cross-industry collaboration to find solutions for net zero aligned investing, Troy continued to actively participate in the Institutional Investors Group on Climate Change (IIGCC)'s round tables and panel discussions throughout 2022. After submitting our interim targets to the Net Zero Asset Managers initiative (NZAM), Troy was asked by the IIGCC to present to a group of investor signatories on our target setting process during a net zero investment round table, where our targets were used as an example in order to help advise and support signatories who are yet to set a net zero target. We fielded a number of questions on our target-setting approach and the steps taken to deliver on our net zero ambition. We received positive feedback from other investors which has reinforced the value of our contribution to the initiative.

Troy also sought further opportunities to participate in policy advocacy by engaging with governments via investor networks. In 2022, Troy signed the Global Investor Statement to Governments on the Climate Crisis facilitated by the Investor Agenda ahead of COP27. The aim of this statement is to ensure governments globally align their 2030 Nationally Defined Contributions with the goals of the Paris Agreement and encourage the development of policies to facilitate the attainment of a zero-emission and climate-resilient future.

Principle 5

Review and assurance

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

Activity

Troy's policies play an important role in setting a clear framework which promotes and enables effective stewardship. These include Troy's Responsible Investment & Stewardship Policy, Responsible Investment Governance Policy, Climate Change Mitigation Policy, Conflicts of Interest Policy, Remuneration Policy, Equal Opportunities Policy and Equality, Diversity & Inclusion Policy. We also have internal process documents such as our custom voting policy with ISS and climate change mitigation analysis process which provide the Investment Team with detailed information in relation to the practical implementation of our policies relating to stewardship. All compliance policies are reviewed on at least an annual basis by the Compliance Team in conjunction with relevant persons within the business and are signed-off by the relevant committee or the Board. These reviews involve the business seeking continually to improve our policies and processes and to ensure that they are being implemented as intended.

The principal policy that relates to our stewardship activities is our Responsible Investment & Stewardship Policy. This is updated at least annually with input from our Compliance Team and Head of Research and signed off by the Responsible Investment & Climate Committee. Over recent years, the policy has evolved to enhance the effectiveness of our stewardship activities, including developing our guidance on how to assess corporate governance practices, and developing our approach to climate change in response to becoming a signatory to the Net Zero Asset Managers initiative (NZAM).

Troy considers training vital in enhancing the team's knowledge and the integration of new ideas into Troy's policies and processes. Training and webinars were also provided by a number of external service providers and responsible investment bodies including the UN PRI, IIGCC, Investor Forum, MSCI ESG, Climate Action 100+ and a number of Troy's sell side research providers.

The firm receives both internal and external assurance to ensure that policies and processes are compliant and implemented effectively. Troy's Compliance Team carries out monitoring in line with the firm's risk-based compliance monitoring plan. Monitoring considers Troy's adherence to regulatory requirements and the firm's policies. Additionally, Troy's Compliance Team maintains a full risk register (including ESG, RI and climate change risks), as overseen by Troy's Chief Operating Officer who is the Director responsible for Troy's risk management framework. The risks which are assessed to be the most significant are considered further in Troy's 2022 Internal Capital and Risk Assessment (ICARA). Both the risk register and the ICARA are reviewed, at least annually, by the Risk Management Committee and the Board.

Troy's Responsible Investment & Climate Committee also plays a significant role in the assurance and assessment of our stewardship activities. The Committee is responsible for the oversight and governance of responsible investment and stewardship at Troy, as set out in its Terms of Reference. The Committee meets quarterly and members are selected from relevant areas of the business with the expertise to ensure the effective governance of Troy's responsible investment and stewardship framework. This includes members of Troy's Compliance and Legal Teams.

Troy's Responsible Investment & Climate Committee met quarterly during 2022 and reviewed the following:

- An overview of votes cast
- All engagements
- The progression of all climate engagements with 'not aligning' companies pertaining to our commitment under SFDR as specified in our Climate Change Mitigation Policy
- The implementation of our NZAM commitment
- Any responsible investment related policy changes

Where Troy has made formal commitments to integrate governance analysis and engage on climate issues in relation to our commitments under SFDR, Troy's compliance function monitors adherence to Troy's Climate Change Mitigation Policy.

Furthermore, our internal governance structures described under Principle 2 are overseen by our Board and benefit from the scrutiny of Troy's four Independent Non-executive Directors, providing additional assurance. The Chair of the Responsible Investment & Climate Committee formally reports to the Board on an annual basis and Troy's approach to responsible investment, including ESG integration, engagement and voting activity undertaken by the Investment Team is specifically covered.

Given the size and nature of our company, Troy does not have an internal audit department. Our approach therefore is for our operational and control processes to be audited by an independent third party. On an annual basis, Troy engages an external auditor to carry out an internal controls assurance (Type 1 AAF 01/20 report). As part of this audit, Troy's processes and controls for proxy voting were independently reviewed during the year to ensure that proxy voting was conducted according to Troy's policies and were processed completely and accurately and within the agreed timescales. No exceptions were noted.

As a signatory to the UN PRI, in a normal year our stewardship activities would also be externally assessed by them with reference to their principles. Troy received three or four out of five stars for our UN PRI submission in relation to calendar year 2020 in all areas for which we were graded. After suspending reporting in relation to 2021, the UN PRI will resume its reporting cycle this year with reporting on 2022 activity in Q2 2023. PRI reporting has been an important tool for us to assess our own responsible investment policies and implementation against those of our peers and has allowed us to identify actions that can move us further towards best practice.

Finally, as delegated investment manager, Troy works closely with, and is subject to regular due diligence by its clients, some of which are regulated Authorised Corporate Directors and Alternative Investment Fund Managers. Troy is required to complete due diligence questionnaires, provide policies as requested and meet with such clients and investors where they have the opportunity to ask further questions. Most recently, Troy worked closely with the Authorised Corporate Director of Trojan Investment Funds and the Management Company of Trojan Funds (Ireland) plc and UK and Irish legal counsel when creating its Climate Change Mitigation Policy and seeking to categorise certain of its proprietary funds as 'Article 8' under SFDR. This provided external assurance as to the robustness of the policy, its effective implementation and adherence to regulatory requirements.

We believe this internal governance and external assurance of the core elements of our stewardship approach are material, relevant and proportionate to the size of the business and the relative simplicity of the investment approach.

Since its inception, Troy has worked hard to ensure that our investors and clients understand our investment process. This requires clear and concise reporting which provides information and data presented in a way that is fair, balanced and easy to understand. Our approach in relation to reporting on stewardship is no different. Since 2019, we have prepared reporting relating specifically to stewardship activities. Through feedback provided during our interactions with investors and clients, this reporting has been enhanced significantly in recent years. We publish quarterly Responsible Investment and fund-level ESG Reports, which provide further insight into our stewardship activities, summarises areas of thematic research which are currently in focus and provides in-depth examples of recent notable engagements. Stewardship reporting is included as standard in our materials for investor meetings and incorporates the provision of carbon emissions data and net zero alignment analysis of investee companies, as well as voting and engagement activity conducted during the period.

Troy has a formal review process in place for all of our client reporting, including factsheets, investment reports, presentations and the quarterly reports described above. All such communications are required to be submitted to the Compliance Team who check and approve the reports prior to publication to ensure the content is fair, balanced and not misleading.

Our annual UK Stewardship Code Report is updated by various members of the Investment and Business Development Teams. The report then undergoes a formal review process by the Compliance Team to ensure the content is clear, fair and not misleading and that all aspects are reflective of how Troy is implementing the relevant policies and procedures.

Outcome

As noted above, Troy's policies and procedures are subject to regular review with the objective of continuous improvement. For instance, during 2022, we reviewed our internal guidance on voting. In recognition of the increased investor demand for a more uniform and standardised voting approach in relation to corporate governance issues, in collaboration with ISS, Troy initiated the drafting of a custom voting policy. This approach is in-keeping with evolving industry best practice and is informed by corporate governance codes of the jurisdictions in which we invest. Troy's custom voting policy seeks to exercise votes to ensure boards are majority independent, diverse and protect shareholder rights and interests. Some examples of voting issues included in our newly formulated policy are:

- To vote against non-independent board Chairs, with exception of a founder Chair
- Vote against the incumbent Chair of the Governance Committee where CEO-Chair roles are combined
- Vote against the incumbent Chair of Nominations Committee where boards do not have at least 30% female representation

When it comes to shareholder resolutions, we continue to hold the view that it is not desirable to be too prescriptive on how individual resolutions should be voted (on the basis that each situation may present unique circumstances). Troy has supported a number of shareholder resolutions over the course of the year, examples of which are included in both Principles 7 and 12 of this report.

Principle 6

Client and beneficiary needs

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

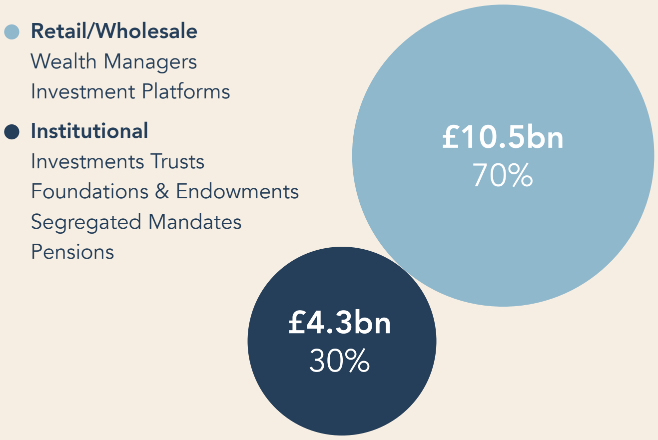
Context

Troy manages a number of open-ended investment companies, investment trusts and segregated mandates across four strategies. Our underlying investor base includes both institutional investors and a broad range of retail investors predominantly invested through wealth managers, independent financial advisers and retail investment platforms in our pooled vehicles.

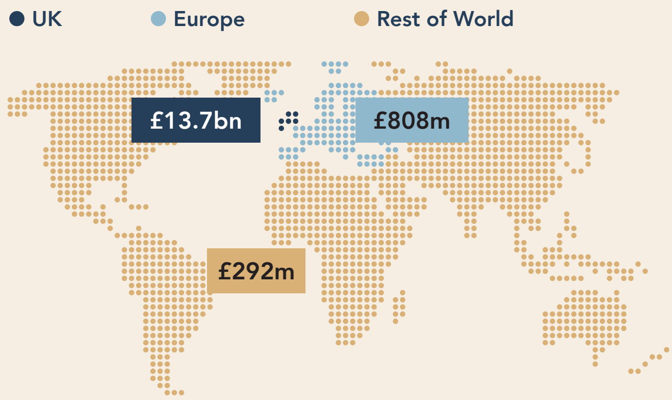
Stewardship is an integral part of the investment process for all of the assets managed by Troy. In line with Troy's investment beliefs, outlined under Principle 1, Troy's portfolios have long-term investment horizons, interpreted as 5-7 years. The long holding periods associated with our approach require a strong commitment to stewardship and lead to a preference for high-quality businesses which demonstrate the ability to grow sustainably over the long term. It is Troy's belief that the importance of stewardship increases materially over longer-term investment horizons such as ours.

TABLE 6: Breakdown of Troy's assets by investor type / domicile and asset class / region.

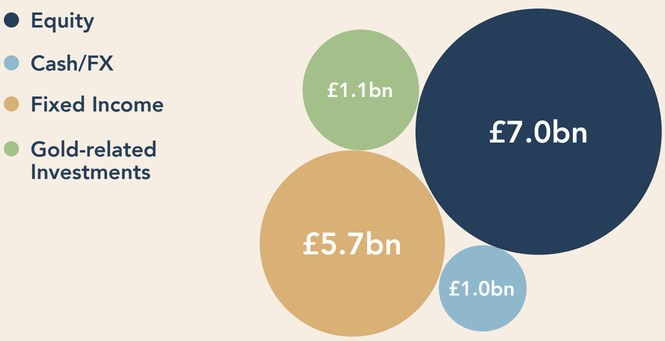
AUM (£) by Investor Type



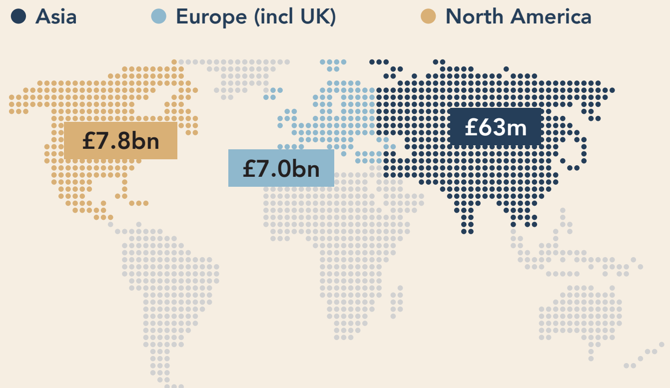
AUM (£) by Investor Domicile



AUM (£) by Asset Class



AUM (£) by Region (unhedged)



Source: Troy Asset Management Limited as at 31 December 2022

Where Troy invests in fixed income for its Multi-asset Strategy, it is through the sovereign debt of developed nations. Troy's commodity exposure is to gold, primarily through physically-backed Exchange Traded Commodities. This is discussed in further detail under Principle 7.

As noted under Principle 1, our long holding periods and consistent approach allow our knowledge of investee companies to deepen over time through research, monitoring and engagement, thereby increasing our investment conviction. The compounding of returns over time has, in turn, delivered a favourable outcome for our investors. Our long holding periods also make ESG risks and opportunities increasingly material to the investment case for the businesses in which we invest, thereby promoting the importance of stewardship in our beliefs and processes. Furthermore, we believe our long holding periods and the calibre of our research are recognised by investee companies, with both factors contributing to a high level of access to, and engagement with, company management teams.

Activity

Troy's investment approach was informed at inception by a clear understanding of our founder investor's views and investment requirements. Lord Weinstock's stated objective of seeking long-term absolute returns, whilst avoiding the distraction of short-term market noise and benchmarks, set the approach which Troy has maintained to this day. Over the past 22 years, Troy has clearly and consistently communicated this investment philosophy in its quarterly investment reports and in meetings with prospective clients, thereby seeking to attract like-minded investors.

The majority of Troy's assets under management are via open-ended collective funds and investment trusts, each with a significant number of underlying investors. As a consequence, it is generally not possible to adapt our investment approach to the specific requirements of individual clients invested in these vehicles, unless it is considered that such requirements reflect the development of best practice to the benefit of Troy's wider client base.

Given the evolution of investor demand and priorities over recent years, we have taken account of market developments and client feedback with respect to changing needs specifically in relation to reporting and we discuss this in more detail below. Additionally, with respect to changes in regulatory reporting requirements, Troy's Compliance Team is responsible for ensuring that Troy's regulatory obligations are met. Thus, Troy recognises the importance of both clearly communicating our approach to attract like-minded investors and of understanding clients' evolving stewardship expectations.

Troy has an experienced Business Development Team with ten full time members focused on understanding and meeting the needs of Troy's client and investor base. This includes meeting regularly with investors across the wealth management and institutional community and responding to data requests and due diligence questionnaires throughout the year. Troy has also arranged for clients and investors to attend a number of events during the year, including seminars, webinars and meetings attended by the relevant Fund Manager. These provide an effective and regular format for us to interact with and collect feedback from a range of investors. Troy's Business Development Team reviews client feedback and requirements from meetings, telephone or email communications at their monthly team meeting and agrees upon any actions required.

Many of Troy's existing investors have built holdings in Troy's funds over a number of years and know the team and investment style very well. We are particularly attentive to any changing needs and requirements, and when taking on a new mandate or relationship, Troy is careful to enquire about any specific client stewardship requirements. Troy's understanding of its clients' views and needs benefits from having low staff turnover and the long-term relationships it has with clients.

As noted under Principle 1, in recent years our investors have, in general, focused increasingly on responsible investment and Troy's stewardship activities. Our focus on these areas, both in terms of our approach and our reporting, has been enhanced to meet our investors' changing preferences and needs. We update our Responsible Investment & Stewardship Policy at least annually, publish it on our website and provide it to prospective investors and consultants during their due diligence. The policy fully articulates our approach to stewardship. Troy's website also publishes details of the collaborative industry initiatives that we are involved with.

We have a dedicated Responsible Investment page on our website, where we publish Troy's complete voting record and provide a voting and engagement disclosure document, with further detail for investors around significant votes (in line with the disclosure requirements under the Shareholder Rights Directive II).

Over time, we have developed new funds and strategies, some of which have been specifically designed to meet the increased demand from clients for ethical variations of our principal strategies, the most recent being the launch of the Trojan Ethical Global Income Fund in November 2021. The launch of these ethical funds was in direct response to interaction with and feedback from our investors, which has been discussed under Principle 1. For separately managed accounts, by agreement, Troy is able to incorporate client-specific restrictions or guidelines, as specified in the client's own investment and stewardship policies.

When implementing the regulatory requirements of SFDR, Troy sought the views of the Authorised Corporate Directors and Boards of our Investment Trusts, both of which are representatives of the underlying investors. We also sought the views of a number of underlying investors themselves before determining our response to the regulation. In particular, we looked to identify and understand the needs of investors in relation to Article 8 status for Troy's funds and trusts. This process informed our initial response to this regulation.

To report in a transparent and coherent way to our investors, we publish monthly fund factsheets, quarterly reports, a quarterly Responsible Investment Report, quarterly fund-level ESG reports, all voting and interim and annual reports for our collective vehicles. Troy's quarterly Responsible Investment Report provides quantitative and qualitative information for investors about Troy's Firm-wide voting and engagement activities. Additionally, Troy believes this Stewardship Code Report provides further insight to our investors into our stewardship framework and philosophy.

We maintain detailed records of engagement and voting activity which provide clarity around objectives for each engagement, progress made and final outcomes. This provides the framework for us to report to our investors in a clear and transparent manner on an ongoing basis.

Outcome

During the year, our evaluation of how effective we were in soliciting the views of our clients was predominantly informed through feedback and interaction with many of our investors and their advisors. In 2022, we hosted a total of ten webinars for investors in Troy's collective investment vehicles, each ending with an open-format Q&A session. Investors have also expressed their views and interacted with us following receipt of Troy's monthly factsheets, quarterly commentaries and investment reports, or in response to on-line meetings, phone calls and emails.

Additionally, and with the purpose of providing detailed updates on our processes and stewardship activities, Troy actively manages a programme of meetings with the various intermediaries and platforms who have direct relationships with many of Troy's underlying investors. These meetings also provide a forum for Troy to understand where the disclosure and reporting requirements for their clients' needs are changing and where additional information is required.

Troy has seen a marked increase in interest from investors in climate analysis and reporting. In response, we have developed suitable client reporting materials, noting that all client reporting is verified to be accurate, fair and balanced by Troy's Compliance Team. Troy's Responsible Investment reporting has been enhanced significantly at Firm and fund level and now provides further insight into our stewardship processes. It also summarises current thematic research projects and provides in-depth examples of notable engagements. The report includes voting, engagement, climate, and net zero alignment data. Stewardship reporting is now included as standard in our materials for investor meetings.

As a signatory to the Net Zero Asset Managers initiative, Troy published its first formal climate-related targets in July 2022. While our long-term commitment is to invest all assets under management in alignment with the objectives of the Paris Agreement, we have made an interim commitment to manage Troy's open-ended and publicly marketed investment funds in line with a net zero by 2050 target following our consultation with our investors. As we receive consent from asset owners and Investment Trust Boards, we expect to expand this alignment to cover Troy's other portfolios.

For these net zero aligned funds, we have also set the following interim targets[5]:

- 100% of relevant portfolio companies must classify as achieving net zero, aligned to net zero or aligning to a net zero pathway by 2030 (with 80% by 2025)
- Portfolio emissions (tCO2e/$m) to be reduced by 50% by 2030, against a 2019 baseline
- 40% of portfolio emissions to be subject to direct or collective engagement by 2025, unless already aligned to a net zero pathway

Our approach is supported by an active ownership strategy that prioritises engagement over divestment. The above targets, supported by our engagement activity, represent the initial steps along our journey towards alignment with the goals of the Paris Agreement.

We believe the above methods to be effective in communicating the outcomes of our stewardship activities with our investors.

[5]Full details of the climate targets set by Troy under the Net Zero Asset Managers initiative can be found here.

Principle 7

Stewardship, investment and ESG integration

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

Since its foundation, Troy has sought to deliver attractive risk-adjusted returns by prioritising the avoidance of permanent capital loss, investing for long-term growth and emphasising quality within our process. As long-term investors, we must be confident that any business in which we invest is sustainable and can generate growing amounts of cash long into the future. We therefore invest in companies with high returns on invested capital that are sustained by durable competitive advantages. We tend to avoid cyclical and capital-intensive businesses and favour predictable and less economically sensitive ones. While the global equity index includes c. 3,000 stocks; Troy's selected investment universe covers c. 170 companies, and we invest in fewer than 100 of these across our investment strategies. Rather than employing a separate ESG team, our Analysts and Fund Managers adopt an integrated approach whereby ESG factors are a component of fundamental analysis. Our aim is to evaluate how these factors can either help or impede a company's ability to generate sustainable returns and growth over the long term. To achieve this, we combine in-depth stock specific analysis with thematic ESG research as described below.

Our highly selective and long-term approach allows us to conduct deep, proprietary research prior to investment and then monitor companies closely over the course of our ownership. We judge each company on its individual merits and do not have a prescriptive checklist for assessing ESG factors. Nevertheless, our integrated approach towards the fundamental analysis of ESG factors is a key component of assessing the durability of a company's competitive advantages and its prospects. The ESG factors we focus on are specific to each company and industry and depend on our view of their materiality. They include, but are not limited to, the following factors:

Climate Change	Natural Capital	Product Safety & Responsibility	Human Capital	Corporate Governance
• Carbon pricing • Energy mix • Technological disruption • Net zero alignment • Physical risk	• Natural resource management • Biodiversity • Pollution • Waste • Circularity	• Product use and harm • Chemical use • Data privacy • Cyber security	• Human rights • Workplace culture • Employee treatment and empowerment	• Board effectiveness • Management capability • Corporate behaviour • Business ethics

Whilst environmental and social issues are often specific to companies and industries, corporate governance considerations can be applied more broadly. We place significant weight on corporate governance, believing that good quality governance underpins successful and sustainable companies. In our experience, companies that are well-managed and properly governed tend to be far-sighted, closely aligned with their stakeholders and better able to navigate a changing world and sustain high returns on invested capital over time. They recognise that their licence to operate is closely linked with their behaviour as a responsible corporate citizen, and consequently act with broader social and environmental considerations in mind. In assessing the quality of corporate governance, we look for:

- A long-term mindset and true alignment of interests between management and shareholders through equity ownership and/or remuneration policies that incentivise long-term profitability and wealth creation
- An independent and diverse Board of Directors that provides effective oversight and challenge to management

- A record of disciplined and value-enhancing capital allocation
- Coherent and effective risk management, including material social and environmental factors and a plan to mitigate climate risk specifically
- A willingness to engage and interact openly with shareholders
- Clear, transparent and appropriately audited disclosure of financial results.

As discussed under Principle 4, we believe that climate change is a systemic issue that should be given material consideration by the management of all businesses in which we invest. Companies will bear a growing cost for their carbon emissions in the coming years and businesses that are unprepared for the transition to net zero face a real threat of increasing costs, declining profitability and a loss of market share to more dynamic and forward-thinking competitors.

Troy's investment philosophy naturally leads us away from more capital-intensive industries which results in the carbon emissions for our strategies being low in comparison to the relevant comparator index (as shown under Principle 1). However, starting from a position of strength does not remove the need for further improvement. We meet with the companies we own to better understand the climate risks and opportunities they face and the actions they are taking. Troy formally supports the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and has pledged to transition our portfolios to support the attainment of net zero by 2050 or sooner in accordance with our commitments under NZAM.

Troy has conducted a number of thematic research projects to identify and prioritise particular ESG issues faced by its investee companies. The aim of our thematic research is to enhance the depth of knowledge on specific ESG topics and research emergent ESG issues. Examples of thematic research topics explored over the reporting year include modern slavery risk, digital rights and data privacy, health and nutrition, and deforestation.

As long-term investors we expend a considerable portion of our research effort on monitoring existing holdings. We monitor financial releases and meet with management regularly to build our knowledge of a company and to ensure our investment thesis remains valid. Where ESG performance or management activity diverge from our expectations, we will engage either with management or the relevant board representatives, with a clear engagement objective, as detailed under Principle 9. This process is also critical to deepening our understanding of the companies in which we invest. We are active owners, voting on all proxies and conducting regular company meetings to further our understanding.

Despite a desire to hold our stocks for the long term, we also exercise a robust sell discipline. We sell holdings when:

- The investment thesis changes
- The quality of a company (including ESG performance) deteriorates
- Valuations become too expensive
- We have better ideas
- We are wrong

Whilst Troy's investment strategies may hold differing underlying asset classes and investments, they all share the same long-term investment philosophy, equity research process and approach to responsible investment and stewardship. We manage four strategies: Multi-asset, UK Equity Income, Global Equity and Global Equity Income, and as a consequence of this shared approach there is a degree of commonality in the equity holdings across our different strategies.

Troy's Multi-asset Strategy invests in equities, fixed income and commodities. Its fixed income investments are held in the sovereign debt of developed nations. Troy currently invests in US and UK government debt. Our ESG analysis of this fixed income exposure focuses on the issues which we believe pose the greatest risk to investors' capital over the investors' 5+ year time horizon. These include, but are not limited to, the following areas:

- The damage that ESG failings can have on a country's reputation and its ability to issue debt, with particular attention to political stability, political rights and civil liberties
- The strength of the rule of law, particularly in relation to bribery, extortion and corruption
- Current account and fiscal balance, debt rating and outlook
- The risk of censure or legal action relating to breaches of regulation and conventions relating to social standards of practice and discrimination and/or environmental standards
- The sovereign's mitigation of climate-related risks including a review of the international climate conventions that the sovereign is party to, their Nationally Determined Contributions (NDCs) under the Paris accord and the presence of a net zero ambition

We prefer to own the government debt of strong and stable countries, believing that doing so increases the resilience of Troy's Multi-asset portfolios during times of crisis and is thus better suited to the objective of preserving and growing clients' irreplaceable capital over the long term.

Troy's Multi-asset commodity exposure is primarily to gold bullion. This exposure is largely through physically-backed Exchange Traded Commodities (ETCs), physical bullion via an allocated account and a holding in a gold royalty and streaming company. Troy's preferred ETCs are 100% backed by physical gold and increasingly hold gold that meets the post-2012 London Bullion Market Association (LBMA) standards for responsible sourcing. The gold royalty and streaming investment is treated in the same way as other equities and follows Troy's ESG integration process as described below. Through deep fundamental research into the company and many meetings with management, we have encouraged the company to align their remuneration with improved ESG outcomes and divest of their most carbon intensive assets. We believe that having exposure to gold provides real diversification benefits for clients and investors, making Troy's Multi-asset Strategy less correlated to global equity markets and better able to preserve our clients' capital.

The equity holdings in Troy's mandates are drawn from the firm's investment universe of researched stocks that our fundamental analysis has shown meet our quality and risk criteria. The investment universe is global in nature, but with a significant focus on companies listed in developed markets. This reflects Troy's view that the quality of accounting and corporate governance in developed markets is more robust. Troy's investment universe may expand over time to include more companies listed in Asia and Emerging Markets as stewardship standards improve, but this will be done in a highly selective manner and on a case-by-case basis.

Stewardship and ESG research are integrated into Troy's investment process and inform our opinion on the long-term sustainability of every asset we own. The analysis of ESG factors is not an adjunct or an overlay to our process but is integrated into our analysis from the very start. The basis of all integration is deep, fundamental research on each underlying company or issuer. Equities form the backbone of our portfolios. If a company meets our quality threshold, we start by writing a detailed initiation note. The initiation note explores the sources of a company's competitive advantages, its licence to operate, the dynamics of the industry it operates in, and its ability to reinvest capital at high rates of return in the future, among other things. It includes a focus on corporate governance and an assessment of the quality of management and its record of allocating capital. There are also dedicated sections on environmental and social risks and opportunities within the investment case segment of the note. In 2022, the team undertook research on a number of new and existing ideas. Each of these research notes considered environmental, social and governance issues, examples of which have been outlined below:

Environmental – LVMH Moët Hennessy Louis Vuitton (LVMH)

Having followed the company for many years, LVMH was purchased in Troy's Global Equity Strategy in 2022. Our research explored the exposure LVMH has to environmental risks and how the company manages its environmental footprint, including the protection of natural resources used throughout its manufacturing processes. This topic was explored further in a piece of thematic research on deforestation, which identified LVMH as one of Troy's holdings most exposed to nature-related risks. Our analysis revealed that LVMH's sustainability policies and environmental management practices were industry leading. This provided reassurance that LVMH are proactively taking steps to mitigate environmental risks and are well placed to take advantage of opportunities. Our research also considered the issues surrounding the use of leather, crocodile skin and fur for LVMH's products. We are encouraged that LVMH has responsible sourcing practices in place and are increasingly looking to use non-animal alternatives such as vegan leather and lab-based furs. An example of the latter is the company's strategic collaborations with university research labs to develop new biomaterials. The development of these materials will mimic luxury materials without adverse impacts on biodiversity.

Sustainability has long been an important strategic priority for LVMH, having published its first sustainability report in 2001, well before ESG came to the fore. The company states that they deem "protecting the environment as not simply an obligation, but an imperative and a source of competitiveness." LVMH understand that the survival of their brands is directly dependent upon the natural resources used to make their products; it is from this core understanding of their dependence on the natural world that LVMH act as a responsible steward of the environment, in turn ensuring their Maisons can continue to grow and flourish for many more generations to come.

Environmental initiatives by LVMH include its internal carbon fund, which was set up in 2015 to help fund carbon reduction initiatives, a cooperation with UNESCO since 2019 to protect biodiversity and its LIFE 360 programme. Under the latter, LVMH have made biodiversity-related commitments at COP15 to drive their commitment to curb sourcing in areas at high risk of deforestation or desertification and to have 100% of strategic raw materials certified by 2026. Given LVMH's core focus on the creation of high-quality, long-lasting products backed by brands with a strong heritage, its responsible sourcing approach is also an important source of advantage to building brand equity as consumers become increasingly sustainability conscious.

Social – Meta Platforms (Meta)

Meta is a social media platform company that is internationally known for helping people connect, find communities, and grow businesses on Facebook, Instagram and WhatsApp. Our initial research of Meta explored the controversies that the company had been involved in, particularly those pertaining to digital rights and the enforcement of community standards. Whilst social media has promoted the freedom of expression and access to information, Meta has also faced significant public scrutiny over the adverse effects of some of the content on its platforms. Defining and upholding human rights in a digital context is by no means easy. Meta has, at times, failed to manage these competing interests and to adequately protect its community members, particularly vulnerable groups such as minors or those in conflict-affected parts of the world.

Ever since Troy first formally researched Meta (then Facebook) in April 2018, we have sought to balance non-financial risks against the potential rewards of an investment. The company's CEO and founder, Mark Zuckerberg, has long stated that 'protecting our community is more important than maximising our profits.' We believe this should be taken at face value because the two are the same thing over the long term – a loss of community undermines Meta's advertising-led business model. Meta have also responded to criticism by investing substantially in people and systems tasked with enhancing the enforcement of its community standards. It has appointed an independent Oversight Board to adjudicate controversial content moderation decisions and conducted an independent third-party human rights assessment.

During 2022, our aim was to better understand these social risks by conducting thematic research into the topics of digital rights and data privacy. We have spoken with legal experts to better understand upcoming EU regulation – the Digital Markets Act and Digital Services Act – and in early 2022 Troy undertook a research project in partnership with Imperial College London. The aim of this project was to explore the risks and opportunities investors face from an increased focus on data privacy by both regulators and consumers. Later in 2022, we expanded the scope of this research to digital rights, encompassing misinformation, freedom of expression, fair elections, political discourse and discrimination. Our research used third-party benchmarks such as Ranking Digital Rights to establish how well Troy's technology companies compare to one another.

Meta has made progress over the past year in these areas by investing heavily in content moderation to protect minors and other vulnerable groups. There remain areas for improvement and to this end Troy supported shareholder proposals at the most recent AGM to encourage further improvement.
We voted in favour of a shareholder proposal to enhance the transparency of Meta's community standards enforcement as well as a proposal to report on the potential increased risk for child exploitation online from the encryption of messaging apps. We continue to monitor the development of these initiatives at Meta, as well as the company's response to the upcoming EU Digital Services Act, which is primarily aimed at online user protections.

Governance – CEO/Chair Separation

Combined CEO/Chair roles are not uncommon for US-listed companies as corporate governance standards in the US do not prevent these roles from being combined. However, Troy maintains the view that a separate CEO and Chair is preferable such that the Board can exercise independent oversight of the CEO and management, providing a stronger mechanism for accountability and alignment with long-term shareholder interests. Approximately a quarter of the companies in which Troy invests have combined CEO/Chair roles.

As a standard practice, we have begun voting against the Chair of the Governance Committee at companies with combined CEO and Chair roles to signal our discontent with a lack of independent board oversight. In a similar vein, we support all shareholder resolutions requiring an independent Chair, except when there is a founder-Chair who may add valuable experience and insight to the Board and the strategic direction of the company. Further details of an engagement on CEO/Chair separation with American Express is included under Principle 12.

Our equity research process is iterative, and we spend time gaining confidence in a company's enduring quality. Each initiation note is debated and discussed by Troy's Investment Team, which will often lead to new questions being asked. Assessing the credentials of any company we invest in is not a static process; it is a continuous pursuit, comprising ongoing primary research and monitoring alongside regular dialogue and/or engagement with company management. The direction of travel and the pace of change, particularly in the case of ESG issues, are often just as important. We engage on ESG issues that we believe are material to their particular business. For example, two engagements in 2022 included:

Visa

VISA

Visa is a digital payment technology company that facilitates global e-commerce through digital payments and information and has been held in Troy portfolios since 2016. We recently engaged with Visa to encourage the enhancement of the company's climate strategy by setting a long-term net zero target supported by short and medium-term, science-based carbon reduction targets. This engagement began at the end of 2021 following a piece of climate scoping analysis that identified Visa as one of Troy's holdings without a public commitment to net zero.

When initiating this engagement, Troy set out to encourage Visa to set a long-term net zero target and ensure that their emissions reduction pathway was aligned with a net zero future. Troy had several further constructive dialogues with Visa over the company's climate strategy, in which we continued to encourage them to align their strategy with a net zero emissions goal by 2050 or sooner. During these dialogues, Visa presented a proactive approach to managing their environmental impact.

In May 2022, our engagement with Visa successfully concluded as the company announced a net zero by 2040 goal. Visa received validation from the Science-Based Targets initiative for its short and medium-term scope 1, 2 and 3 GHG reduction targets. Visa has committed to reduce absolute scope 1 and 2 GHG emissions by 50% by FY2030 from a FY2020 base year. Visa also has a commitment to reduce absolute scope 3 GHG emissions by 42% within the same timeframe.

Visa's new climate strategy is exemplary. They actively engage with suppliers to identify areas for improvement and opportunities for partnership on emissions reduction, taking ownership of emissions across their value chain. Visa's lead suppliers participate in the Carbon Disclosure Project (CDP) Supply Chain program. Emissions management is an expectation Visa places on suppliers in its Supplier Code of Conduct. Visa have also committed to be climate positive. Through their Fintech Partner Connect program they are working with partners such as ecolytiq to offer financial institution clients "sustainability-as-a-service" offerings, consumer carbon foot-printing and access to high-quality carbon offsets, facilitating emissions management services for their customers.

Visa's ongoing efforts to curb its environmental footprint and expand its remit of influence to both suppliers and customers is concurrent with its position as a vital facilitator in the flow of money through the payments system. Visa's climate strategy shines a positive light on the company's innovative culture and management's long-term horizon, both of which we view favourably as long-term investors.

American Express

AMERICAN EXPRESS

Troy formally began an engagement with American Express (Amex) in April 2021 on the topic of remuneration. Amex's longer-term incentive programme awards management with shares according to average return on equity (ROE) and total shareholder return, both measured over a three-year period and compared to a peer group.

We believe the selected peer group is inappropriate because it contains traditional banks, who have structurally lower returns than Amex. For this reason, Troy has communicated to Amex that we do not believe the metrics determining management's pay to be sufficiently stretching. In early 2022, Troy wrote to Amex ahead of the Compensation Committee's remuneration review asking that Amex return to targets that better reflect the high returns on equity that investors can expect from Amex.

Troy suggested the Compensation Committee consider either targeting an absolute level of ROE that sets a sufficiently demanding hurdle rate, or re-weight the peer group towards companies with similar business models to Amex. We continued to raise this with the company in meetings with management over the course of the year and in a dedicated meeting with representatives in charge of Amex's governance and remuneration. During the 2022 AGM, Troy voted against Amex's executive compensation on these grounds. This engagement is ongoing as we work in dialogue with Amex to improve management's remuneration benchmarks.

Troy maintains an engagement database which details each engagement, its objective and outcome and is reviewed regularly. The Investment Team is responsible for voting on all items, which is another important component of our active ownership approach. We address engagement and proxy voting in more detail under Principles 9, 10 and 12.

Alongside company-specific research, we conduct thematic ESG research to better understand issues that affect a number of our holdings or to explore the exposure of our portfolios to significant and material ESG themes. This is particularly useful when developing our understanding of rapidly evolving social and environmental factors. Our thematic research often allows us to identify leaders and laggards on a given ESG topic and guides our understanding of best-practice.

Case study: Public Health – Domino's Pizza Group

Over the course of 2022, the UK Government continued to advance its fight against rising obesity levels as a priority area for its public health agenda. As obesity in the UK continues to increase rapidly, with a quarter of adults now classed as obese and a further 38% as overweight, the impact on our healthcare system and other parts of our economy are posing an increased financial and productivity burden. This in turn has meant that the UK regulatory agenda has focused on ways to tackle obesity, resulting in tighter advertising regulation for foods classed as high in fat, sugar and salt (HFSS) under the UK Health Care Act.

In 2022, Troy explored the topic of health and nutrition to understand the financial materiality of rising global obesity levels across Troy's investment universe, and to identify which holdings were most vulnerable to tightening regulation. This thematic research identified Domino's Pizza Group (Domino's) as one of our investee companies where further analysis was needed to gain assurance that these risks were being adequately managed. Other holdings such as Nestlé and Unilever were also identified as potentially exposed in our research. However, both those companies have proactively made commitments to cease advertising to children under 16 years old, which we believe represents a step to move ahead of regulation and exercise responsible advertising practices.

Troy has held shares in Domino's since 2017. Domino's is a global pizza-delivery franchise that has long been associated with joyous occasions between friends and families. Whilst we fully recognise the health risks associated with a failure to make Domino's part of a healthy and balanced diet, we are also aware that delivered pizza can play a role in family cohesion and provide an affordable and convenient treat for groups of friends or families facing an increasingly stressed economic backdrop. In the UK, the average household will order from Domino's 2-3 times a year. We believe our role as an investor in such a company is to make sure we are driving Domino's to enable its customers to make informed and responsible choices. As such, we began an engagement with Domino's Pizza on the topic of public health.

Over the course of 2022, Troy had several meetings with Domino's management. In May 2022, we had a dedicated call with Domino's Head of ESG. We discussed Domino's response to the UK's HFSS advertising restriction, its plans to further reduce sugar, salt and fat content across its menu and the company's responsible advertising strategy. 'Health' is a key pillar of Domino's ESG strategy and includes formulating new menu options offering customers more variety in both their lower calorie range and plant-based offerings, which were launched in 2020. Domino's have incrementally reduced fat, sugar and salt from their menu and have removed c. 40 tonnes of salt from their pizzas since 2012. More recently, Domino's have introduced their 'deLIGHT' cheese which has 1/3rd less fat. Looking ahead, the availability of healthier food options on the menu is also part of Domino's sustainability strategy. On advertising, Domino's explained that their adverts are always aimed at adults. TV advertising is predominantly in the evening, to target an adult audience, and the adverts themselves often depict a group of adult friends, and do not feature children.

With that said, while we were encouraged by the progress to date and the positive trajectory of Domino's health strategy, we identified some areas for further improvement and communicated these to Domino's management team, which are outlined below:

- Enhance reporting on health and nutrition, including quantitative metrics, key performance indicators and year-on-year progress for salt, sugar and fat (similar to carbon reporting to track progress over time)
- Set measurable targets on health and nutrition and report on progress against these targets
- Enhance board/management-level oversight of health and nutrition given its regulatory and strategic importance to the business

This engagement remains ongoing.

Troy's funds are best suited to clients looking to invest for the long term (5 years+) and we believe that the best way to preserve capital and grow wealth over time is to invest selectively in high-quality and sustainable businesses that have similarly long-term horizons. In recent years we have given considerable thought as to how we integrate the systemic risks posed by climate change, which has been discussed under Principle 4. As part of this process, climate risks continue to be analysed in relation to our investment time horizon. With the US re-joining the Paris Agreement and the announcement by Europe and the UK of enhanced Nationally Determined Contributions to reduce emissions, it is clear that the risks associated with the transition to a lower carbon economy now fall within our 5+ year investment time horizon. It is also apparent that the physical risks associated with changes to the world's climate, such as the increased frequency of extreme weather events, wildfires and droughts are also risks which fall within our time horizon.

Troy retains responsibility for all aspects of stewardship including its engagement and voting decisions, except in cases where segregated account clients maintain voting rights. We receive external research and data in relation to ESG as an input into our own primary research process and we are not bound by the recommendations of any external research. We utilise the services of several providers, with each having a specific purpose in our research and stewardship process. We use MSCI's ESG Research product to provide a detailed and qualitative analysis of ESG risks. We use Bloomberg to access all types of financial and non-financial data as well as supplementary research from a number of external research providers that we subscribe to. Troy has ethical funds which integrate ESG in the same way as outlined above, but apply a negative screen in accordance with our published ethical exclusion criteria. This screening tool is provided by Moody's ESG Solutions (previously Vigeo Eiris). Further information on external research providers is outlined under Principle 2.

Troy does not outsource voting decisions, its proxy voting policy or engagements. Institutional Shareholder Services (ISS) is used for proxy research as well as to administer proxy voting. Each proxy vote is considered by Troy's Investment Team and a decision is made on a ballot-by-ballot basis.

As noted above, we do not retain service providers to conduct engagements or make voting decisions on our behalf. We do, however, use third-party data providers and voting administration services to support our stewardship. When considering these providers, we begin by clearly communicating our requirements. We then conduct trials with our preferred providers to identify the ones which most closely meets our requirements. As a boutique investment manager, our size makes it challenging to make specific demands or procure bespoke solutions from large service providers, such as MSCI.

Troy set an interim target to supplement our commitment to achieve net zero portfolio emissions by 2050. Prior to setting a target, Troy plotted all holdings against a climate alignment maturity scale informed by the Paris Aligned Investor Initiative's Net Zero Investment Framework. We used MSCI data as an input in this analysis and resorted to using raw data such as carbon emissions timeseries datasets rather than an off-the-shelf forward-looking metric like MSCI's Implied Temperature Rise given the metric does not incorporate an assessment of company decarbonisation plans. We instead decided to plot a company's forward-looking decarbonisation trajectory using raw data from MSCI. We find MSCI's Implied Temperature Rise metric useful to illustrate the alignment of a company's targets with the goals of the Paris Agreement but the metric itself does not reveal the robustness of the underlying plans and commitments made to achieve said target. We provided our feedback to MSCI and have subsequently participated in their consultation for the development of the new Implied Temperature Rise metric.

During 2022, we also begun using MSCI's Climate Value-at-Risk (CVaR) model to assess the resilience of our portfolios to different climate scenarios. This analysis is in its early stages and there remain some data challenges given the inherent difficulty of modelling physical climate impacts. We are seeking ways to enhance this analysis as we begin to integrate findings into our portfolio risk reviews.

Outcome

While investment decisions are rarely made on stewardship grounds alone, ESG considerations inform our portfolio management decisions, thereby having a tangible impact on the shape of Troy's portfolios over time. Examples in 2022 include:

Purchases

We started a holding in the London Stock Exchange Group (LSEG) in Troy's UK Equity Income Strategy. LSEG has historically been associated with the London Stock Exchange, however, it also owns some of the highest quality financial data businesses in the world, including FTSE Russell, one of the top three financial index providers, and Refinitiv, the global leader in the distribution of data to financial institutions and corporates. Through the acquisition of Refintiv, the company gained access to some of the broadest and highest quality data sets in the world, including ESG data. The company has leveraged this data to improve existing products and create new ones. For example, FTSE Russell has grown its ESG-linked Passive AUM more than 5x in two years, which was facilitated by access to higher-quality data from Refinitiv. LSEG is a diverse business and the investment thesis rests on more than its superiority in ESG. However, the company has shown its ability to improve its growth prospects by capitalising on the increased demand for ESG data across its diversified customer base.

Sales

Troy has long holding periods and all portfolios have relatively low turnover and a deep-rooted focus on quality. Troy also has a preference for an engagement rather than divestment led approach to ESG and as such there were no sales made on ESG grounds during the reporting period.

The examples and case studies above highlight how Troy's deep fundamental work and integrated stewardship process influence our investment decision-making, helping to create resilient and sustainable portfolios that meet the capital preservation and long-term wealth creation objectives of our underlying clients.

Principle 8

Monitoring managers and service providers

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

Activity

We have discussed Troy's investment philosophy and approach to ESG integration in detail under the previous principles. Troy's own research is complemented by research from a number of external service providers, as discussed under Principles 2 and 7. This list includes sell-side investment research from a number of investment banks and independent research providers, ESG and climate research from MSCI and CDP, proxy voting research and services from Institutional Shareholder Services (ISS), screening services from Moody's ESG Solutions (previously Vigeo EIRIS), and Bloomberg which provides a range of financial and non-financial data.

Before entering into a relationship with a new service provider, we seek to gain assurance over the contractual arrangements of the service by undertaking in-depth due diligence, as well as identifying and managing any legal or operational risks. This due diligence includes a detailed review of their service offering and capability, the completion of Troy's data protection and information security questionnaire, financial due diligence and reference calls with other existing clients. Troy's legal department review all third-party agreements prior to contracting. In addition, depending on the materiality of the relationship and type of service being provided, we seek assurances from the supplier in relation to their approach to data protection and in restricting slavery & human trafficking in relation to their supply chains. Typically, a trial is also undertaken before committing to any new service provider to ensure that the service will fully meet our requirements.

During 2022, Troy reviewed alternative data providers to supplement our existing ESG data and research providers. We looked at datasets like controversies data and trialled two services providers (RepRisk and Truvalue Labs) in early 2022. While controversies data is a useful input in assessing the corporate behaviours of investee companies, Troy's Investment Team felt that at this stage the datasets weren't sufficiently additive to our materiality-based investment research. While the data of controversies providers can help build a richer mosaic of information on which to assess the ESG risks a company is exposed to and help shed a light on their behaviour, the datasets themselves provided a lot of noise and less decision-useful information. Bloomberg, our existing provider, have subsequently enhanced their ESG offering to include more controversies data and therefore reduced the need for an additional service provider.

All of Troy's service providers are monitored to ensure that their service remains reflective of our needs. This monitoring is performed through our own experience of using the service as well as via periodic service review meetings. Formal review meetings vary in frequency depending on the nature and importance of the service being provided, but at a minimum we aim to meet all service providers at least annually and in practice much more frequently. These formal review meetings have a particular focus on reviewing all applicable service key performance indicators and other metrics against the service level agreement.

ESG analysis is also conducted in relation to external managers of gold, property and infrastructure assets held across Troy's mandates. The process of assessing the stewardship practices of these areas continues to evolve. In total, only 7% of Troy's assets under management relates to assets invested in commodity exchange-traded vehicles for precious metals such as gold and real estate investment trusts.

Service providers used for the outsourcing of critical services are monitored via Troy's quarterly outsourcing provider checklist. This is reviewed and completed by Compliance in conjunction with the relationship manager within Troy. This review includes:

- Whether any meetings with the outsourced service providers took place during the period
- Whether there were any changes to existing oversight arrangements during the period
- Whether there were any changes to the services provided during the period
- Were there any issues or concerns identified during the period

Additionally, Troy's COO reports to the Board on an annual basis on all service providers.

Outcome

To support the investment and engagement process, ISS Proxy Exchange was chosen as a provider of proxy voting research following a full market review in 2019. This review included factors such as company coverage, quality and depth of research, operational efficiency and the overall cost of the service. Regular monitoring and contact are maintained with ISS throughout the year, including during the busy proxy voting season in April and May.

We have consistently reviewed the operational aspects of the service and confirmed that all votes were successfully cast in accordance with our instructions. We have requested enhancements and troubleshooting where required. In 2021, Troy took steps to enhance the quality of our proxy voting reporting, including the disclosure of significant votes. Troy approached ISS and engaged with them on how they could assist and facilitate best practice in being able to publicly disclose all votes on our website, with a particular focus on those deemed significant. They confirmed they could facilitate this enhancement, which was delivered in 2022.

Furthermore, we have monitored the frequency with which we voted against ISS's proxy voting recommendations over the past three years. Troy retains full discretion to vote in our clients' best interests and are not bound to follow any other party's recommendations. Table 7 below shows the frequency with which Troy voted against ISS's recommendations during 2022. At a firm-wide level, across all strategies it can be seen that votes against ISS represented 5% of total votes cast, which illustrates a high level of alignment between their research and the outcomes of our own analysis.

TABLE 7: Proposals voted against ISS by investment strategy

	Proposal Voted Against ISS	
	No.	%
Troy Multi-asset Strategy	11	5%
Troy UK Equity Income Strategy	14	2%
Troy Global Equity Strategy	54	12%
Troy Global Equity Income Strategy	26	4%
All Troy Strategies*	77	5%

*This does not sum to a total as includes cross holdings. Source: ISS Proxy Exchange, for full year 2022. The information shown relates to a mandate which is representative of, and has been managed in accordance with, the relevant strategy.

Over the past few years Troy's Investment Team has developed voting guidelines to inform voting on standard corporate governance topics in accordance with best practice and corporate governance codes. As environmental and social issues have increasingly become agenda items at AGMs, such as "Say on Climate" and "Say on Pay" votes, we have provided further guidelines to ensure our voting is consistent.

At the end of 2022, Troy approached ISS to create a custom voting policy to provide Troy's Investment Team with customised voting recommendations, particularly where we found ourselves frequently voting against ISS's recommendations. This also promotes consistent voting across Troy's strategies for such issues as Chair independence, director tenure, CEO/Chair separation and a minimum of 30% female representation at board level, as discussed under Principle 5. Troy's custom voting policy came into effect in 2023.

With reference to the screening services provided by Moody's ESG Solutions (previously Vigeo EIRIS) we are satisfied with the service provided and have confidence that the screening results are in line with our expectations and analysis.

As discussed under Principle 7, engagement is an integral part of Troy's approach to stewardship. In 2021, we approached Factset, our research management system (RMS) provider, to modify the existing RMS to create a custom engagement template and tracking system, which enabled us to:

- Monitor progress of ongoing engagements and record success rates of concluded engagements
- View the engagement in the wider context of company meetings and ongoing monitoring
- Extract and manipulate data for analysis and reporting
- Differentiate between individual and collaborative engagements
- Provide more detailed reporting to clients
- Link engagements to subsequent voting actions

In 2022, having reflected on client data requests and reporting which required increased disclosure on engagements, we enhanced the template to ensure we were capturing relevant details and datapoints which would help us fulfil our reporting commitments.

Principle 9

Engagement

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

Troy's preferred definition of an engagement is a constructive and active dialogue with a specific objective which seeks to deliver an improved outcome on a material issue. While regular interaction with company management is an integral part of our ongoing research and monitoring, we only classify an interaction with management as an engagement if it meets the definition above. We seek to influence management through engagement when we believe it is in the best interests of long-term shareholders to do so. Troy does not outsource its engagements as we consider engagement an integral part of our investment process and of exercising our stewardship responsibilities.

Throughout 2022, Troy held approximately 170 company meetings and conducted 44 formal engagements with 29 companies. Troy maintains a central database of all engagements, both ongoing and completed. This helps us manage our engagement activities, report to clients and forms a valuable research and monitoring resource for the Investment Team. In recent years, we have enhanced the engagement database to provide more detail on the nature of each engagement, including further classification of our engagements by theme, percentage of the company owned, priority of engagement and collaborative involvement.

As discussed under Principle 7, ESG analysis and engagement is fully integrated into Troy's investment process and is conducted by members of the Investment Team who know the companies best. This means that all of Troy's engagements are conducted in the context of the wider investment case. We prioritise engagements on the basis of the following parameters:

- Size of holding
- Materiality of risk (including ESG risk)
- The probability of achieving our desired outcome
- Time-sensitivity of voting decisions

This approach to identifying potential engagements stems from our deep fundamental research on companies and integration of stewardship and ESG into our investment process. Troy's Investment Team also carry out thematic research pieces, which often inform our engagements. Our engagement with Domino's Pizza Group (Domino's) on public health, as discussed in Principle 7, exemplifies this. We met the management of Domino's to encourage progress on their plans to further reduce sugar, salt and fat content across their menu and continue to work on a responsible advertising strategy. While encouraged by their progress to date, this engagement remains ongoing. In all instances, clear and actionable objectives were set which were aligned with the best long-term interests of the company and shareholders.

While we typically engage proactively with companies on issues we identify as material, we may also engage reactively when a company takes a course of action that conflicts with our view of what is in the best interest of shareholders. A variety of events might trigger such an engagement, including a breach by the company of generally accepted business practices, an issue arising during our proxy voting research or in response to a corporate announcement. For example, we recently joined a collaborative engagement with AVEVA, when Schneider Electric proposed a bid for the remaining minority stake in AVEVA that they did not already own. Investor Forum engaged with the board to ensure any sale price sufficiently reflected the long-term value of the company and would represent the best interest of AVEVA shareholders. Following an engagement between Investor Forum and the AVEVA Chair, it was clear the AVEVA board believed the price proposed reflected fair negotiations and shareholders shouldn't expect further developments. This engagement was closed as unsuccessful and Troy has since sold its holding in the company.

Alongside the engagements that stem from research on individual companies, we also recognise the need to be systematic in our engagement approach, particularly when it comes to climate change issues, as discussed under Principle 4. Troy has incorporated the recommendations of the Net Zero Asset Managers initiative and The Institutional Investors Group on Climate Change to align our investment portfolios with the transition to net zero, following increased demand from both asset owners and intermediaries, as discussed under Principle 6. Troy has undertaken an engagement-led approach with each holding identified as 'not aligning' with a net zero pathway, which entails encouraging these companies to set a decarbonisation strategy that is aligned with the ambitions of the Paris Agreement and a transition towards net zero supported by targets that are science-based.

Our methods of engagement are via meetings, emails, letters or telephone calls with Directors and management of a company including investor relations, the executive management team, members of the board and/or the Chairperson. Every engagement is conducted by members of Troy's Investment Team. This process ensures that any engagement is conducted within the context of the broader investment process, thus delivering an integrated and consistent message to company management teams. Furthermore, it deepens Troy's ongoing relationship with the company at the highest levels.

Being long-term shareholders, we seek to keep all engagements productive and avoid public arguments with company management as we believe these to be at odds with Troy's culture and investment philosophy, as laid out under Principle 1. We may consider it appropriate to act collaboratively with other investors in order to achieve greater influence, to leverage other investors' insights, or where we believe we would be able to provide a particular contribution to the collaboration. Troy exclusively engages collaboratively with other investors via collaborative engagement platforms and initiatives. We believe that collaborative engagement offers many benefits. By combining knowledge and resources we can enhance the possibility that the relevant company will respond constructively to the engagement. However, there are also risks and we take seriously compliance with law and regulation relating to controlling bids and anti-trust legislation. The platforms and initiatives through which we engage collaboratively operate guardrails which help to manage those risks.

As long-term investors focused on minimising the risk of permanent capital loss, as described under Principle 1, we believe that retaining the engagement process in-house allows us to benefit from our in-depth knowledge of the companies in which we invest and mitigate the associated ESG risks which we believe become more material over extended time horizons. This process aligns our engagement objectives with both our investment philosophy and the expectations of our investors as laid out under Principles 1 and 6, namely a long-term approach to stewardship.

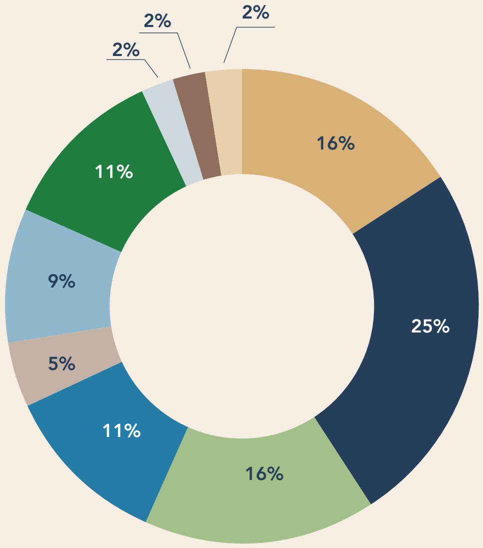
Troy has a common engagement and stewardship approach across its strategies. This means that most engagements, particularly those with companies that are held across multiple strategies, are conducted at a firm-wide level.

Along with equities, Troy has investments in fixed income and commodities. Troy's fixed income exposure consists entirely of UK and US sovereign debt. Troy has so far not directly engaged with the UK and US governments in relation to their sovereign debt. However, in 2022, Troy signed the Global Investor Statement to Governments on the Climate Crisis facilitated by the Investor Agenda.

The Responsible Investment and Climate Committee governs Troy's policies and processes surrounding engagement.

Please find further analysis of firm-wide engagements by ESG theme, geography, strategy and outcome below.

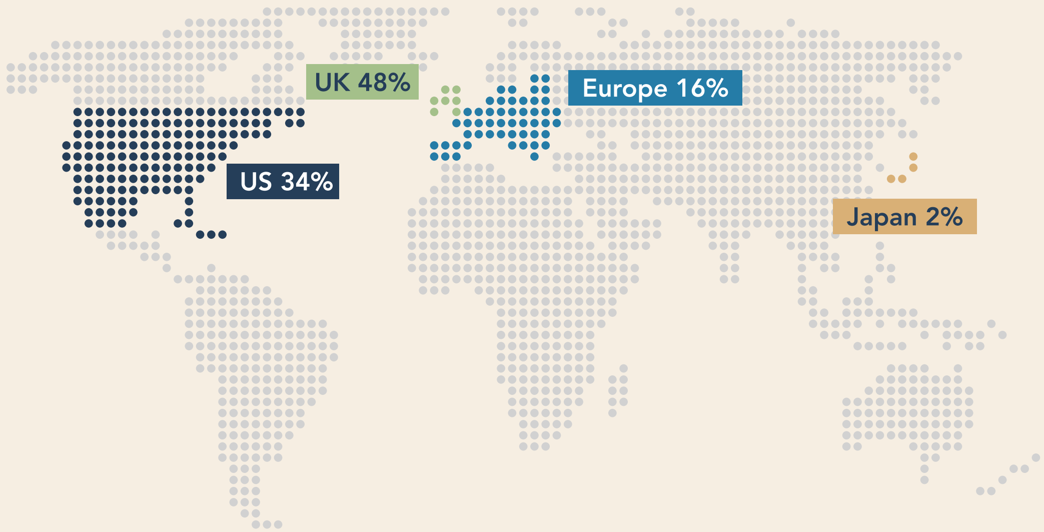
2022 Engagement by theme



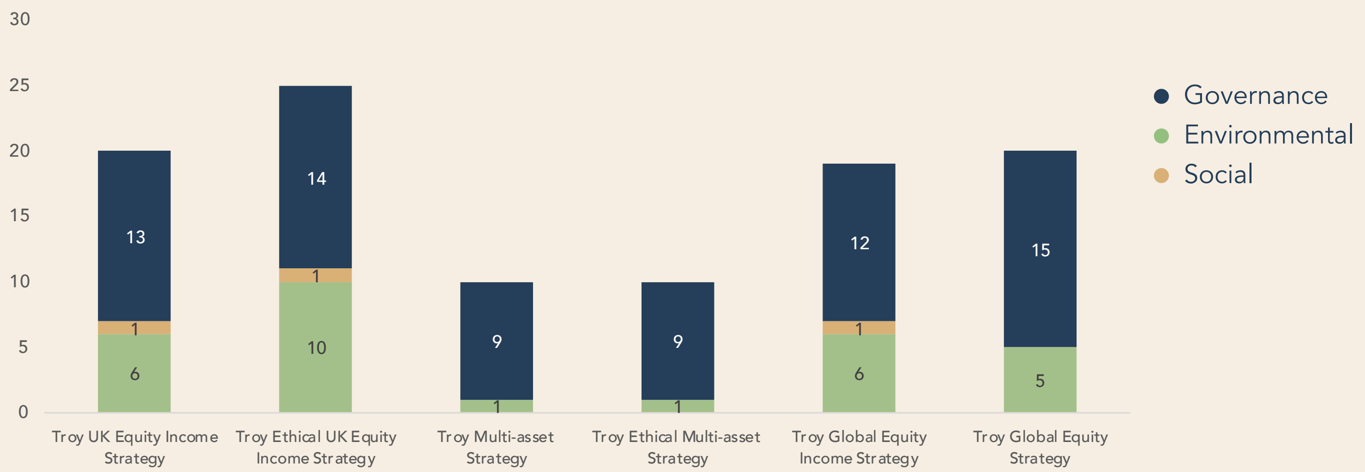
44 formal engagements with 29 companies

- Climate change
- Natural resource (e.g. water, biodiversity)
- Board Diversity
- Board Independence or Oversight
- Capital allocation
- Chair/CEO Separation
- Remuneration
- Reporting (e.g. audit, accounting, sustainability reporting)
- Shareholder rights
- Public health

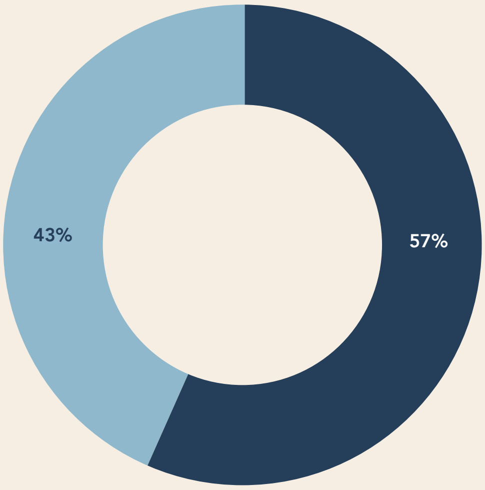
2022 Engagement by geography



2022 Engagement by Strategy

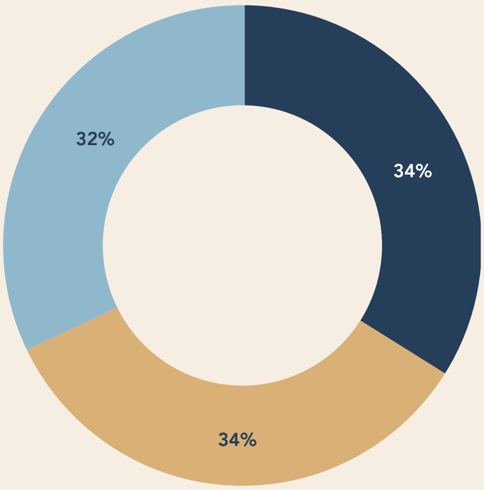


2022 Engagement split by collaborative and Troy only



- Troy only 57%
- Collaborative 43%

2022 engagements by Outcome: Successful, Unsuccessful and Ongoing



- Ongoing 34%
- Successful 34%
- Unsuccessful 32%

The engagement chart by geography above highlights that the number of engagements with UK companies is higher than elsewhere. Whilst Troy's engagement policy is applied uniformly across mandates, geographies, and asset classes, the difference in the number of engagements conducted is a function of our criteria for prioritising engagements as discussed above, as well as the fact that there are more holdings in our UK-focused portfolios. It is also the case that we own larger proportions of companies in the UK than in the US. This is primarily a function of UK companies' market capitalisation being on average smaller than that of US companies. This is not to say that Troy will only look to engage with companies where it holds a larger percentage of the equity, but rather that we have prioritised these engagements in part because of the likelihood of achieving our desired outcome.

As Troy continues to participate in collaborative engagement platforms, we expect increased engagement with companies across our strategies globally. In terms of other asset classes, Troy has had ongoing engagement with the Gold Exchange Traded Commodity providers held within the Multi-asset Strategy.

We include the next case study to illustrate an outcome of our engagement activity in 2022. It is important to note that wherever possible, Troy aims to engage with investee companies by raising our concerns and desired objectives in meetings. Experience has taught us that a constructive approach is more likely to result in the desired outcome. Though we may write to companies articulating our reason for engagement, objective and timeframe over which we hope to observe progress, we have found greater success when this is either preceded or followed by a face-to-face interaction.

As active managers with long holding periods, we have been able to leverage our long-standing relationships with management teams to set ourselves up for constructive and fruitful engagements, which we believe allows for a higher likelihood of achieving our desired objectives. In setting objectives, we aim to ensure that the following criteria are met. As laid out in the example below, objectives should be specific, measurable, achievable, relevant (material) and time-bound (typically 12-36 months depending on the nature of the objective).

Case study: Unilever

Troy has held shares in Unilever since 2004. Unilever is a global manufacturer of consumer goods products that serve customers worldwide. On Saturday 15th January 2022, news broke that Unilever had made an unexpected $50bn approach for GlaxoSmithKline's (GSK) consumer health business. Though it was widely understood that Unilever aspired to reshape its portfolio towards higher growth categories, the bid for GSK's consumer health business came as a surprise to investors, many of whom had communicated that they did not want Unilever to pursue large-scale M&A.

Troy's initial response to the news was to write a letter to Unilever's Chair stating our opposition to the deal. A subsequent meeting with the company's CEO, revealed we were not alone in our view and by the market close on Wednesday 19th January, the deal was off the table.

We continued to engage with the company over the following few months, with the objective of resolving the question of alignment between Unilever's management and the interests of shareholders. We decided to escalate our concerns to the Senior Independent Director and CEO with a view to encouraging Unilever to address some of the issues that we saw as hindering alignment with long-term shareholders. To signal our discontent with the lack of effective Board oversight and challenge, we voted against the Chair of the Board during the 2022 AGM in April. We felt this was warranted against the backdrop of the bid earlier in the year and the fact that the Chair is not independent.

We also engaged with Unilever, in collaboration with other likeminded investors, via the Investor Forum. The collaborative engagement commenced in March 2022 with a letter sent to Unilever's Chair. Troy was one of 25 shareholders who took part in this engagement, collectively representing c.20% of share capital. The objectives of this engagement were to i) improve operational performance at Unilever, ii) enhance transparency to increase confidence in the group's approach to capital allocation and iii) enhance the effectiveness of Board oversight. We had a subsequent meeting with the CEO and Chair to address concerns.

We felt that the issue of Board effectiveness went unaddressed and continued to engage with Unilever, facilitated by the Investor Forum, on how Unilever could enhance board effectiveness and engage with activist investors, following reports of Trian acquiring a stake in the company. This resulted in a further call with Unilever's Chair. After continued dialogue over the course of a few months, the engagement with Unilever via the Investor Forum formally concluded in May 2022 as the investor group collectively felt that Unilever had taken all feedback onboard and provided a satisfactory level of assurance on the matters raised. We also concluded our own engagement as we felt our objectives had been met.

Unilever Stewardship Timeline

Principle 10

Collaboration

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

Context

Troy recognises the importance of collaborative engagement as a powerful means of influencing management and driving change in the companies in which we invest. Our desire to address systemic risks and create a sustainable and well-functioning economy means that we seek to work with other investors to leverage our collective insights and unify our shareholder voice on both policy and company specific matters.

Troy is a signatory to the Net Zero Asset Managers initiative in order to advocate for the importance of Paris-aligned investing. Troy is also a member of a number of collaborative engagement platforms such as the Investor Forum, Climate Action 100+ and the Carbon Disclosure Project (CDP). A full list of the collaborative industry bodies that Troy is a member of is disclosed under Principle 4.

The past two years have seen a step change in both our and the wider industry's focus on environmental issues, specifically climate risk. The impetus to join the collaborative engagement groups listed above stems from our belief that a unified approach is needed to best influence corporate change in such a material and evolving area.

Activity and Outcome

Troy became a member of Climate Action 100+ in 2021 to better facilitate collective engagement on climate-related issues. This included joining a collaborative engagement with other Unilever shareholders to address shortfalls in the company's climate strategy. The development of this engagement in 2022 is discussed in the case study below.

In 2022, Troy has also participated in policy advocacy by signing the Global Investor Statement to Governments on the Climate Crisis, facilitated by the Investor Agenda ahead of COP27. The aim of this statement is to ensure governments globally align their 2030 Nationally Defined Contributions with the goals of the Paris Agreement. We believe government policy is needed to facilitate the transition towards a net zero and climate-resilient future.

At Troy, our stewardship responsibilities and collaborative engagements will sometimes go beyond engaging with investee companies and include working with policymakers and industry bodies to ensure that the highest environmental, social, and governance standards are set for the entire industry. Given the increased regulatory focus on transparency and adequate climate related disclosures, we have sought to engage with investee companies on these matters as discussed in the second case study below.

Case study: Climate Action 100+

Troy has participated in a multi-year collaborative engagement with Unilever via Climate Action 100+ since 2021. The first phase of this engagement set out to encourage Unilever to increase their climate-related initiatives and partnerships in addition to providing more impactful messaging to their customers on their climate strategy. This phase of the engagement was successfully closed after Troy, alongside other shareholders, engaged constructively with Unilever's Global Sustainability Director in April 2021.

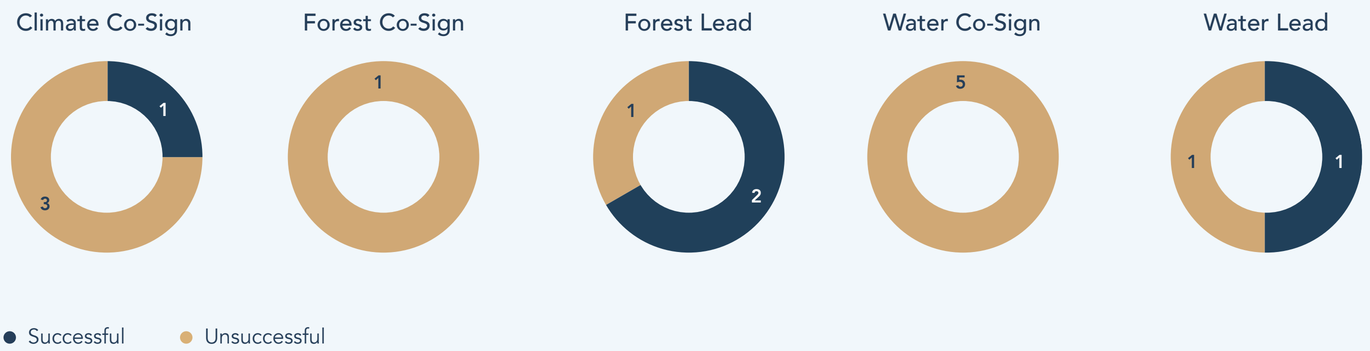
The engagement has progressed to its second phase in 2022. Following the publication of Climate Action 100+'s 2022 benchmark, Troy, alongside a group of Unilever's shareholders, participated in a planning meeting in October 2022 to agree on next steps. The objectives of this second phase include Unilever enhancing their disclosure of any climate-related lobbying activity, ensuring alignment of Unilever's capex planning and their climate strategy, and finally encouraging Unilever to set a 2025 scope 3 emissions reduction target to supplement their longer-term targets. Troy will be leading the scope 3 target-setting aspect of this engagement. The engagement is ongoing and we expect to provide a progress update in our next Stewardship Code Report.

Case study: Carbon Disclosure Project

In 2022, for the second year running, Troy participated in a series of collaborative engagements as part of the CDP's Non-Disclosure Campaign. The campaign aims to encourage companies to disclose risks relating to climate, water scarcity or deforestation by responding to the CDP's annual questionnaire. Disclosure forms the basis of stewardship with the reporting of structured, reliable and comparable data essential to ESG analysis and active ownership which is discussed in greater detail under Principle 4.

We engaged with 13 separate companies on 16 different disclosure requests. Troy was the lead signatory on six disclosure requests made to five different companies: Alcon, Domino's Pizza Group, Imperial Brands, PZ Cussons and Victrex. Around a quarter of the 16 engagements were successful, with two companies moving to disclose on deforestation, one on water and one on climate.

Three disclosure engagements that were led by Troy were successful at the end of the 2022 CDP campaign. We are encouraged to see that where the previous year's engagements with Domino's Pizza Group and PZ Cussons on the forests questionnaire had been unsuccessful, our re-engagement in 2022 led to a successful outcome. We will continue to pursue disclosure on these important topics with our investee companies in future CDP campaigns.



Source: Troy Asset Management Limited, 31 December 2022.

Principle 11

Escalation

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

Troy has a long history of engaging and escalating issues with the boards of investee companies, including writing to the Chairperson or Senior Independent Directors to escalate a particular issue that we deem to be materially value enhancing or detracting. We always seek to engage constructively with the management teams of the companies in which we invest to help address both ESG and other issues. Where our concerns go unaddressed, there are several options open to us as investors to escalate the engagement.

Options include:

- Collaborative engagement when either Troy's engagement has proved insufficient to gain traction or we believe other investors' insights would be beneficial
- When we do not have conviction that management are acting in the best interests of shareholders, we may seek to vote against management on a particular resolution that would adequately reflect our concern
- Escalating the engagement from management to the executive and/or the board of directors
- We may consider a partial or complete sale of the holding where other avenues of engagement have been unsuccessful and the issue is of sufficient materiality

The means and priority of escalation we choose to pursue will be dictated by a combination of the materiality of the issue combined with our assessment of the likelihood of a successful outcome. Escalation will always be considered in the context of the wider investment case, as we believe this leads to the best outcome for our underlying investors.

Whilst our policy on escalation is outlined in our Responsible Investment & Stewardship Policy, since 2021 we have also detailed additional parameters specific to the escalation of climate engagements in our Climate Change Mitigation Policy. As detailed earlier in the report, as part of our net zero commitment, we currently prioritise engagement with all investee companies classified as 'not aligning' to a net zero pathway and frequently engage with companies further along the alignment maturity scale. The progress of these climate engagements is reviewed on a regular basis by the Responsible Investment & Climate Committee. The Committee will oversee relevant engagements ensuring they are progressing and subsequently in taking decisions on escalation or divestment.

While there were no sales made on ESG grounds during the reporting period, we have provided examples under Principles 7 and 9 of how fundamental research led to an engagement which was escalated by either a vote against management at the annual general meeting (AGM) and/or escalation from management to the board.

The engagement with Unilever described under Principle 9 provides a good example of our escalation process. Following the bid for GSK's consumer health business in January 2022 and an unsuccessful initial engagement with the company, we escalated the issue by joining a collaborative engagement through The Investor Forum. This collaborative engagement was in conjunction with Troy's bilateral engagement with the company, where we decided to escalate our concerns to Unilever's Senior Independent Director and CEO. To further signal our discontent with the lack of effective board oversight and challenge, we voted against the Chair of the board during the 2022 AGM in April.

Troy's engagement strategy has historically been focused on its equity holdings where we think we can have the largest impact on the outcome for our underlying investors. The greater prevalence of shareholder resolutions in the US has provided an additional channel to escalate engagements in a way not frequently available in the UK market.

Along with equities, Troy has investments in fixed income and commodities. Troy's fixed income exposure consists entirely of UK and US sovereign debt. We do not currently hold any corporate debt securities. Troy has so far not directly engaged with or escalated any issues with the UK and US governments in relation to their sovereign debt. However, in 2022, Troy signed the Global Investor Statement to Governments on the Climate Crisis facilitated by the Investor Agenda.

Troy's commodity exposure in our Multi-asset Strategy is to gold and primarily through Exchange Traded Commodities (ETCs). Troy has engaged with the ETC providers in the past to encourage the holding of gold that meets the London Bullion Market Association (LBMA) Gold Delivery standards for responsible sourcing. This engagement has more recently gained momentum and escalated to the LBMA itself. Along with our ETC providers, we met with the LBMA to encourage them to tighten their standards when it comes to disclosure around social and environmental factors, setting a road map that can be easily monitored by stakeholders, focusing more on the environmental impact and improving the environmental footprint across the gold supply chain. The LBMA has launched an Instant Review Process and, since our engagement, has published Version 9 of its Responsible Gold Guidelines. These include a number of improvements such as a more granular breakdown of risks in supply chains, greater clarity on the requirements for improvement plans, and increased guidance for refiner reporting including more detail on due diligence policies and the compliance report. We will continue to participate in a dialogue with the LBMA to work on the ongoing improvement of these standards as the risks and the potential solutions evolve.

Case study: Alcon

Alcon

Prior to Troy becoming a signatory to the Net Zero Asset Managers initiative in July 2021, we began assessing the emissions reduction targets and transition plans of the companies in which we are invested. Our climate scoping analysis revealed that a few companies did not have a public commitment to net zero and associated transition plan, one of these being Alcon.

Alcon is the largest eye care company in the world, operating in both the ophthalmic surgical and vision care markets. The company was founded in 1945 but was spun out of Novartis (a longstanding investee company) as a separately listed and independent company in 2019. We allowed time for Alcon to establish independent processes and procedures, including those related to ESG, but sensed a lack of urgency on carbon emission reduction targets. This prompted us to engage with Alcon in May 2021 to encourage the company to develop an emissions reduction strategy aligned with a net zero pathway. A year later in May 2022, Alcon still had not disclosed any emissions reduction targets nor made a public commitment to net zero.

As a form of escalation Troy voted against both the ratification of their auditor and the re-election of the Chair of the Governance and Nominations Committee at Alcon. This escalation was prompted by a lack of progress on committing to net zero and setting supporting decarbonisation targets. Following this vote, we wrote to the company to explain our decision and reiterated our desire to see progress on a climate change strategy. This resulted in a constructive meeting with the Head of ESG in July 2022.

In September 2022 Alcon announced a target of achieving carbon neutrality across its global operations (scope 1 and scope 2 emissions) by 2030. This ambition is supported by a focus on GHG reduction, with Alcon also seeking ways to reduce emissions across its extended value chain. This example illustrates the gravity with which we view a lack of progress towards a credible net zero pathway. As climate change mitigation becomes increasingly material and strategically important for businesses, we view emissions reduction targets as an essential first step towards decarbonisation.

Where such targets are lacking, we will escalate our engagement in the form of a vote against the Director with whom responsibility for sustainability matters lies and through meetings with management. We are pleased to have reached a successful outcome in our engagement with Alcon and are looking to make similar progress with our investee companies still lagging in their climate mitigation efforts.

Principle 12

Exercising rights and responsibilities

Signatories actively exercise their rights and responsibilities.

Context

Troy considers exercising our investors' rights and responsibilities to be a vital part of our active ownership and investment process and an important aspect of our escalation approach. Our aim is to use our voting rights to encourage companies towards better practice and align with our investors' interests. We seek to instruct votes on all resolutions on behalf of clients and investors for whom we have voting authority.

Our 2022 policy and approach towards voting is explained within our Responsible Investment & Stewardship Policy. Troy's voting policy applies across all pooled funds and all geographies. As explained below, segregated mandates may adopt their own custom voting policies, although this is currently uncommon.

Troy conducts analysis of each management or shareholder resolution ahead of voting. Votes are then cast in line with what we deem to be the best long-term interest of shareholders. Environmental and social sustainability are considered alongside governance factors in this analysis. In 2022, Troy's Investment Team used internal Proxy Voting Guidelines to provide specific guidance on the corporate governance best practice and our default view on a range of ESG issues. Voting decisions were made on a ballot-by-ballot basis following the completion of our own proprietary research and any associated engagement. Analysis of the agenda items and resolutions were conducted by the relevant analyst and a voting recommendation presented to the managers of any portfolio with a holding in the underlying company. Within that framework, each manager had the flexibility to determine how to vote on the assets within the relevant mandate. For example, our income strategies will have a preference to receive dividends, whereas growth mandates may have a preference for share buybacks or reinvestment of profits.

At the end of 2022, we enhanced this process by creating a custom voting policy with ISS to ensure consistent voting on corporate governance issues. These are informed by best-practice standards and the corporate governance codes of the jurisdictions in which we invest. Troy's Investment Analysts and Fund Managers review and apply the policy recommendations, though they may on occasion vote differently to the recommendations of Troy's custom voting policy when circumstances dictate a divergence to be in the best interests of our underlying investors. In such an event the rationale is recorded. Voting recommendations on shareholder proposals are not currently included within this policy as their more nuanced nature often requires an analysis of the wider context and implications for long-term shareholders. Voting on such proposals is therefore done on a case-by-case basis. Troy's custom voting policy was drafted in 2022 and came into effect in 2023.

We recognise that whenever possible it is preferable to ensure that voting on certain resolutions is incorporated as part of the wider engagement with management. Troy's preferred course of action is to have a dialogue with any company ahead of casting a vote against management. Where Troy has voted or intends to vote against management, a letter is sent formally notifying them of our voting intentions and rationale. Where appropriate, this may also include an invitation to engage on the issue identified.

To assist us in exercising our voting rights, we make use of the services of a proxy adviser, ISS, who provide us with research in relation to resolutions and a platform, Proxy Exchange, through which votes are cast. Whilst ISS research is reviewed and their recommendations are taken into consideration, they do not drive our voting decisions (illustrated by our votes against ISS recommendations in Table 7 under Principle 8). Through ISS, Troy publishes full voting records on our website and distributes the notification letters referenced above.

All of Troy's proprietary pooled funds follow the voting approach outlined above. Whilst we do not have the capability to accept direct instructions as to how to vote from investors in those pooled funds, we welcome dialogue with investors and clients in relation to stewardship generally. Furthermore, we recognise that certain segregated account clients may have their own requirements and policies in relation to voting. During 2022, only a small proportion of our funds under management were covered by client specified preferences with respect to voting. These preferences, and any others which we may be asked to adhere to, are set out in the relevant client agreement.

It is important to note that Troy does not engage in stock lending and therefore has no requirement to recall lent stock in order to exercise its full voting rights.

Activity

It is Troy's policy to vote all shares at all meetings and in 2022 100% of votes were cast. Table 13 summarises our voting activity across our investment strategies.

In 2022, a total of 36% of meetings had at least one underlying proposal where Troy voted against management. At an individual strategy level this was as high as 74%. In terms of individual underlying proposals voted upon, 8% were voted against management across all strategies which rose as high as 15% on an individual strategy basis.

A summary of Troy's voting behaviour is reported every quarter by way of a Responsible Investment Report and our annual regulatory voting disclosure provides a summary of votes cast during the year and details all significant votes and their rationale, which is available on Troy's website.

To ensure that we are voting on our full position, all equity holdings are reconciled with the custodians on a daily basis and any discrepancy is highlighted and resolved. The reconciled holding is then shared electronically with the custodians' proxy voting administrator and onward with the company registrar.

During 2022, none of Troy's strategies held fixed income instruments issued by corporates. During the year, Troy held US and UK sovereign debt and did not seek amendments to terms and conditions in indentures or contracts.

TABLE 8: Analysis of Troy's proxy voting by investment strategy

	Meetings voted		Meetings with at least one vote against management		Proposals voted		Proposals voted against management	
	No.	%	No.	%	No.	%	No.	%
Troy Multi-asset Strategy	14	100%	6	43%	239	100%	19	8%
Troy UK Equity Income Strategy	41	100%	5	12%	788	100%	11	1%
Troy Global Equity Strategy	27	100%	20	74%	464	100%	71	15%
Troy Global Equity Income Strategy	32	100%	12	38%	599	100%	49	8%
All Troy Strategies*	81	100%	29	36%	1,448	100%	112	8%

*Includes Cross Holdings.

Source: ISS Proxy Exchange, for full year 2022. The information shown relates to a mandate which is representative of, and has been managed in accordance with, the relevant strategy.

Case study: Rights and Responsibilities in Relation to Combined CEO/Chair Roles

Shareholder resolutions are an important way for investors to exercise their rights and responsibilities. In 2022, Troy supported a number of resolutions in order to hold investee companies to a higher standard on corporate governance practices. At the end of 2022, Troy revisited our voting guidelines and worked with ISS to develop a custom voting policy, which is discussed in greater detail under Principle 8.

One of the topics Troy has placed a greater emphasis on in our custom voting policy is a default vote against combined CEO-Chair roles at Boards. It is our preference for companies to have an independent Chairperson and not to combine CEO and Chair roles. We believe that it is important for listed companies to have an independent Chair, who can oversee governance at the company and hold management to account.

We supported four shareholder resolutions during 2022 to separate CEO and Chair roles at Coca Cola, American Express, PepsiCo and Meta Platforms. In addition to voting in support of these resolutions, Troy wrote to companies ahead of voting our shares to notify the board of our rationale and further reinforce our views on the importance of separating CEO and Chair roles. These examples emphasise the importance we attach to strong corporate governance and adherence to best practice. Unfortunately, these resolutions did not receive majority support and therefore were unsuccessful.

In the case of American Express (Amex), Troy has had an ongoing engagement with the company since April 2021 with the objective of separating the CEO and Chair role. After several conversations with management over the year and a meeting with Amex’s Governance Team in December, Amex did acknowledge Troy’s request and informed us that this will be formally reviewed when the current CEO retires.

Troy has decided to close this engagement as unsuccessful with the view of re-opening the engagement at a later date once Amex begin the process of finding a successor. Amex's Board maintain the view that the current CEO is best placed for this role given his deep knowledge of the company. As a bank holding company, there are also additional regulatory requirements of a Chairperson which are fairly onerous. This does not preclude the possibility of a separate CEO/Chair role in future but until the current CEO retires, this engagement had limited prospect of a successful outcome. Amex's board are aware of and sympathetic to Troy's concerns and do review this on an annual basis while also considering the role the Senior Independent Director can play in the absence of an independent Chair.

A final word

Troy was born out of a desire to create an investment firm that would be a long-term steward of the irreplaceable assets of its founder and other like-minded investors. As a result, our investment philosophy and approach are naturally aligned with the principles of the UK Stewardship Code.

We hope this year's report gives further insight into how we at Troy have implemented these principles to best serve the interests of our clients and investors and to help create a financial system that works for all its stakeholders.

As the imperative to create a more sustainable economy, environment and society becomes ever more pressing, we continue to drive forward our stewardship activity and enhance further the sustainability of the long-term returns we generate.

We will continue to develop our approach to systemic risks, such as climate change and loss of biodiversity, and develop ever better tools to measure and communicate the impact of our portfolios, both positive and negative, to you our investors.

Sebastian Lyon

Founder and Chief Investment Officer

On behalf of Troy Asset Management Limited

TROY
ASSET MANAGEMENT

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Regulatory Information

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