



PRIVATE TRANSPARENCY REPORT

2023

Pella Funds Management

Generated 15-12-2023

About this report

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

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

The private Transparency Reports, which are produced using signatories' reported information, support signatories to have internal discussions about their practices. Signatories can also choose to make these available to clients, beneficiaries, and other stakeholders.

This private Transparency Report is an export of your responses to the PRI Reporting Framework during the 2023 reporting period. It includes all responses (public and private) to core and plus indicators

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

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

Disclaimers

Responsible investment definitions

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

Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representation or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

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

Section 1. Our commitment

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

Pella's mission is to help investors thrive at no cost to current or future generations. This means Pella places equal emphasis on the wellbeing of the planet, people, and society as on financial returns. Responsible Investing is a key tool to deliver on this mission. Responsible Investing is an umbrella term that describes several strategies, including ESG integration, exclusion/norms-based screening, engagement, best-in-class, impact, and sustainability themed investing. Pella utilises multiple of these strategies to reflect its values and to manage investment risk.

A fund manager's investment approach is anchored in its investment philosophy. Pella believes the most effective investment philosophy is that shareholders are part owners of a portfolio of companies. Owners of the underlying businesses must consider whether they are comfortable generating profits from each investment's activities. Therefore, a business owner's approach necessitates incorporation of the fund manager's values.

Activities and behaviours that contravene Pella's values include selling tobacco products, manufacturing weapons, deforestation of old growth rainforests, and exploiting child labour, among others. ESG integration, exclusion screening, and norms-based screening strategies provide a framework for Pella to target investments that reflect our values and enable us to implement a business owner's mindset.

The incorporation of values contributes to defining a fund manager's investment universe. Using this universe, a fund manager's role is to maximise returns and control risks.

All companies face environmental and social risks and the principal-agent problem. ESG integration focuses our attention on the companies that have formalised policies and practices for managing those risks. The engagement strategy enables Pella to contribute to improved ESG characteristics of its investment portfolio. Combining ESG integration and engagement helps Pella minimise its portfolio's risks.

Pella's integration of responsible investment strategies can be measured and assessed. Pella's responsible investment commitments include:

1. Avoid companies involved in the following activities: uranium mining, fossil fuel electricity generation, fossil fuel mining, deforestation of old growth forests, weapons manufacturing or distribution, tobacco production, alcoholic beverage manufacturing, pornography, gambling, animal cruelty (cosmetic testing, live entertainment, intensive animal husbandry), GMO seeds manufacturing, and operation of for-profit prisons.
2. Avoid companies that breach norms based practices as described by the United Nations Global Pact and OECD Guidelines for Multinational Enterprises.

3. At least 30% of the portfolio invested into companies rated A or better by MSCI ESG research.
4. At least 70% of the portfolio invested into companies rated BBB or better by MSCI ESG research.
5. Portfolio carbon intensity (scope 1 and 2), measured relative to sales and enterprise value, at least 30% lower than the benchmark.
6. Participate in every one of its investments' shareholder votes.

Section 2. Annual overview

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

Pella considers adherence to its negative screens as the responsible investment issue most relevant to our organization. Those screens speak to our values, which are mandatory to successfully apply an owners-mindset investment approach.

Negative screens are applied at the start of the research process. Pella identifies companies involved in banned activities using its own fundamental analysis, supplemented with research from external research providers. Pella calculates there are approximately 740 companies with market capitalizations of >US\$1.5Bn that fall into the excluded activities list.

Pella's investment process starts with an analysis of key revenue drivers to immediately identify and exclude companies that fall into the exclusion list. The exclusion list is also activated if a company in Pella's investment universe moves into one of the excluded activities, which would trigger an automatic sell if the company was in the portfolio.

During the year in review Pella did not invest in any companies whose activities fell into the excluded list. One company that Pella did invest in that requires some discussion is Orsted, which is a Danish electricity generator that is the world's largest offshore wind developer and is a bellwether renewable electricity company.

Pella supports businesses transitioning away from thermal coal and will allow electricity generators that generate <5% of their revenue from thermal coal generation but are transitioning away from thermal coal and will fully exit thermal coal powered generation within three years from Pella's initial investment in the company. Orsted fulfils these requirements as Pella calculates that coal accounts for <5% of the company's electricity generation and it is actively exiting that exposure and should be entirely out within the next 2 years.

Pella believes that it delivered against all key metrics during the reporting period.

- Excluded activities – Pella's fund did not invest in any companies involved in excluded activities during the reporting period.
- Norms-based requirements - The most severe investment controversy the fund faced during the reporting period relates to Visa's lethargic response to allegations of facilitating payments for child porn content. In response, Pella exited the position and wrote an article to communicate the reasons and thinking behind the decision.
- Environment, Social, Governance - The fund's Environment, Social, Governance, and total MSCI ESG scores were superior to the benchmark. This performance was predominantly delivered through stock selection. In addition, 86% of the fund's investments were in companies rated higher than A and 100% of the fund investments were in companies rated higher than BBB. The fund had no exposure to companies rated BB, B or CCC.
- Carbon intensity - The fund's carbon intensity (scope 1 and 2) as measured by CO2/EV was 65% below the benchmark, and as measured by CO2/revenue was 69% below the benchmark. At an organizational level, Pella commenced the process to become carbon neutral and appointed carbon neutral consultants, Pangolin Associates, to assist us along this path.

- Stewardship Pella submitted votes in all the shareholder meetings This involved rectifying an issue we experienced in FY22 relating to Sweden-domiciled companies.
- Responsible Investing initiatives - Pella was involved in four initiatives in the reporting period: (i) Pella's ongoing efforts to encourage all the fund's investee companies to become signatories to the UN Global Compact; (ii) Pella requested large prosthetic limb manufacturers to donate prosthetic limbs to the United Ukraine Appeal for civilian victims of the Russia/Ukraine conflict; (iii) Pella contacted retailers to request they improve their tobacco-related disclosure. This is an ongoing project and Pella is currently preparing a submission to the US Securities and Exchange Commission (SEC) and potentially other regulators to establish a requirement for retailers to disclose their tobacco-related revenue; (iv) continued efforts to encourage Marsh & McLennan to disclose its fossil fuel related exposure

Section 3. Next steps

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

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

Pella's stewardship initiatives include ongoing strategies and special projects. The key ongoing initiative involves reaching out to all portfolio positions to request they become signatories of the United Nations Global Compact (UNGC) We have had some success with this initiative to date as Samsung Electronics, Flow Traders, Sun Run, and ASML became signatories following our request. However, there is more work to be done and Pella is targeting more companies within its investment portfolio to become signatories.

There are currently two special projects that Pella is pursuing and is targeting a resolution within the next two years. The first relates to improving Marsh& McLennan's ("Marsh") fossil fuel exposure Marsh has an insurance brokering business that facilitated insurance for a controversial oil pipeline in Africa, which we learned about following an article prepared by The Bureau of Investigative Journalism.

Pella's position is that Marsh's behaviour was not a breach of the norms-based requirements because Marsh's role is peripheral to the pipeline and there is an opportunity to work with Marsh to improve the insurance broking industry's approach to these matters. However, we were concerned about the lack of disclosure

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

Marsh responded that it does "not currently plan to disclose engagements (or related revenue) with any specific industries at this time". Pella is unsatisfied with Marsh's response, and we intend to pursue the matter further, including submitting a resolution at Marsh's 2024 AGM.

The second special project relates to retailers' tobacco sales disclosure At present, retailers are not required to report their revenue from tobacco sales. This makes it difficult to avoid companies with overt exposure to sales of those products. Pella is targeting tobacco-sales disclosure from all US retailers.

During the reporting period Pella wrote to all the retailers of consumer staples in its investment portfolio, requesting them to disclose the proportion of revenue they generate from products that contain tobacco These companies chose not to comply with our request as they do not consider these disclosures an industry standard. In response, Pella intends to make a submission to the US Securities and Exchange Commission (SEC) and potentially other regulators to establish a requirement for retailers to disclose their tobacco-related revenue.

Pella believes that there is a strong argument for the SEC to support the initiative Tobacco related revenues represent a business risk given the ongoing tobacco-related regulation and litigation, and the SEC requires companies to disclose their material risks.

Section 4. Endorsement

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

Name

Steven Glass

Position

Managing Director & Investment Analyst

Organisation's Name

Pella Funds Management

A

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

B

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

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

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

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	30	06	2023

SUBSIDIARY INFORMATION

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

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

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

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

USD

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

██████████

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

US\$ 0.00

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

US\$ 0.00

ASSET BREAKDOWN

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

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

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

ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

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

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

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental 100%

(D) Other strategies 0%

GEOGRAPHICAL BREAKDOWN

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

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

AUM in Emerging Markets and Developing Economies

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

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Di clo ure	Sub ection	PRI Principle
OO 8	CORE	Multiple, ee guidance	Multiple indicators	PUBLIC	Steward hip	GENERAL

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

(1) Li ted equity active

(A) Ye , through internal taff

(B) Ye , through ervice provider

(C) Ye , through external managers

(D) We do not conduct stewardship

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Di clo ure	Sub ection	PRI Principle
OO 9	CORE	Multiple, ee guidance	Multiple indicators	PUBLIC	Steward hip (Proxy) voting	GENERAL

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

(1) Listed equity – active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service provider	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

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

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

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

(A) Listed equity – active (12) 100%

ESG INCORPORATION

INTERNALLY MANAGED ASSETS

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

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

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

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

(C) Listed equity - active - fundamental



ESG STRATEGIES

LISTED EQUITY

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

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

Percentage out of total internally managed active listed equity

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

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

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

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

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	100%
(C) A combination of screening approaches	0%

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

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

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

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

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

100%

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

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

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

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

Provide the percentage of AUM that your labelled and/or certified product and/or fund represent

100%

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

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

Which ESG/RI certifications or labels do you hold?

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV Nachhaltigkeit kodex ESG Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)
- (L) Finan ol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (N) Greenfin label (France)
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principle
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Ver toß gegen Atomwaffen verrvertrag
- (U) Le label ISR (French government SRI label)
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products
- (AB) Nationalewardhip code
- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)

- (AE) People's Bank of China green bond guideline
- (AF) RIAA (Australia)
- (AG) Towards Sustainability label (Belgium)
- (AH) Other

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

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

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

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

SUBMISSION INFORMATION

REPORT DISCLOSURE

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

Your organisation is in its voluntary reporting period; do you wish to make your responses available to the public?

- (A) Yes, publish all responses to Core indicators and any Plus indicators that are indicated for publication
- (B) No, keep all our responses private for this year

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

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

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

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

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

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

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

Specify:

Guidelines on positive impact exposure

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

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

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

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

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

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

- (A) Overall approach to responsible investment
Add link:
https://www.pellafunds.com/_files/ugd/a3d658_3f623a75445d43aaa492f9868714b93c.pdf
- (B) Guidelines on environmental factors
Add link:
https://www.pellafunds.com/_files/ugd/a3d658_3f623a75445d43aaa492f9868714b93c.pdf
- (C) Guidelines on social factors
Add link:
https://www.pellafunds.com/_files/ugd/a3d658_3f623a75445d43aaa492f9868714b93c.pdf
- (D) Guidelines on governance factors
Add link:
https://www.pellafunds.com/_files/ugd/a3d658_3f623a75445d43aaa492f9868714b93c.pdf
- (E) Guidelines on sustainability outcomes
Add link:
https://www.pellafunds.com/_files/ugd/a3d658_3f623a75445d43aaa492f9868714b93c.pdf
- (F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

https://www.pellafunds.com/_files/ugd/a3d658_3f623a75445d43aaa492f9868714b93c.pdf

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

Add link:

https://www.pellafunds.com/_files/ugd/a3d658_3f623a75445d43aaa492f9868714b93c.pdf

(J) Guidelines on exclusions

Add link:

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

(L) Stewardship: Guidelines on engagement with investees

Add link:

https://www.pellafunds.com/_files/ugd/a3d658_3f623a75445d43aaa492f9868714b93c.pdf

(O) Stewardship: Guidelines on (proxy) voting

Add link:

https://www.pellafunds.com/_files/ugd/a3d658_c05ff0f08916416bbc831e3aa074718a.pdf

(P) Other responsible investment aspects not listed here

Add link:

https://www.pellafunds.com/_files/ugd/a3d658_3f623a75445d43aaa492f9868714b93c.pdf

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

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

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

(A) Yes

Elaborate:

Responsible Investing is part of Pella’s fiduciary duties as it reduces the risk of Pella investing in unsustainable practices and ensures investors in our funds are not complicit in harmful activities through their investments. Responsible Investing also requires Pella to be active stewards of our investor’s capital and seek behaviour in our investments that are aligned with their shareholders’ interests. Finally, Responsible Investing provides reporting tools and disclosure requirements, which Pella’s investors can use to measure our performance .

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

- (B) No

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

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

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

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

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

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

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

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

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

RESPONSIBLE INVESTMENT POLICY COVERAGE

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

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

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guideline on governance factors

(7) 100%

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

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

AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

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

Per a et cla , what percentage of your AUM i covered by your policy(ie) or guideline on toward hip with inve tee ?

(A) Listed equity

(1) Percentage of AUM covered

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

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

What percentage of your li ted equity holding i covered by your guideline on (pro y) voting?

(A) Actively managed listed equity

(1) Percentage of your li ted equity holding over which you have the di cretion to vote

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

GOVERNANCE

ROLES AND RESPONSIBILITIES

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

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

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

Specify:

Managing Director

- (C) Investment committee, or equivalent

Specify:

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

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

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

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

	(1) Board members, trustees, or equivalent	(2) Senior executive level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factor	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guideline on sustainability outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human right (may be part of guideline on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="checkbox"/>	<input type="checkbox"/>

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

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

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

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

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

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

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

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

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

Pella has made several responsible investing commitments, which are measured and reported in Pella's monthly factsheet, quarterly reports, and annual Responsible Investing Report. Performance relative to those KPIs is ultimately Pella's board's responsibility, meaning those KPIs are used to evaluate the performance of Pella's board. Reflecting this, a portion of Pella's quarterly board meetings is entirely focused on the company's ESG performance.
- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

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

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

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

Indicate whether these responsible investment KPIs are linked to compensation

(1) KPIs are linked to compensation

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

(3) KPI are not linked to compensation even though the e role have variable compensation

Describe: (Voluntary)

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

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

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

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

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

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

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

EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Di clo ure	Sub ection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

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

- (A) Any change in policie related to re pon ible inve tment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate related commitment
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitment to other y thematic u tainability i ue
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

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

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

- (A) Yes, including all governance-related recommended disclosures
 - (B) Yes, including all strategy related recommended disclosure
 - (C) Yes, including all risk management-related recommended disclosures
 - (D) Yes, including all applicable metrics and targets-related recommended disclosures
 - (E) None of the above
- Explain why (Voluntary)

Pella is currently working through the process of implementing this policy

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

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

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

Link to example of public disclosures

<https://fondsfinder.universal-investment.com/en/LU/Funds/LU2468412098/downloads?q=QtJDwpsRj0NWDLnGCbpZYsPbBQoKcVtBmo6KdhK%2f%2bMuZ1XDExXhbpvRLbJ2iGbDEz3xHRX%2bQ5YPei8hGx2mOoLOvrdFzCrOTfa2Syu34cm8%2f%2boWePr0Wczi%2f93WqSH>

- (B) Disclosures against the European Union's Taxonomy
 - (C) Disclosures against the CFA's ESG Disclosures Standard
 - (D) Disclosure against other international standard, framework or regulation
- Specify:

Pella follows the Responsible Investment Association Australasia (RIAA) disclosure requirements

Link to example of public disclosures

<https://www.responsiblereturns.com.au/investment-options/pella-global-generations-fund/profile>

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

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

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

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

www.pellafunds.com
www.pellafunds.com

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

STRATEGY

CAPITAL ALLOCATION

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

Which element do your organisation level exclusion cover?

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

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

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

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human right related risk and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) **Not applicable; we do not have a strategic asset allocation process**

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

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

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

(1) Listed equity

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



(B) Maximise our individual investment risk adjusted return. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investee contribution to systematic sustainability issues.



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

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

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

The second level of stewardship efforts involves special projects. These are efforts that involve company or industry specific efforts to improve ESG characteristics of specific investees. Examples of these projects are Pella's efforts to improve Marsh & McLennan's fossil fuel exposure disclosure and encourage retailers to disclose their revenue from tobacco sales.

Special projects are selected based on outcomes that Pella believes it can achieve and will have a meaningfully positive impact. Pella conducts due diligence on several projects and selects the ones where we can identify the catalysts for successful completion of the project and how Pella can create that catalyst.

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

Which of the following best describes your organisation's default position, or the position of the external service provider or external manager acting on your behalf, concerning collaborative stewardship effort ?

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

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

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

Pella has two types of stewardship programs, ongoing projects, and special projects. The ongoing projects are integrated into Pella's normal operations and Pella has not identified a need to collaborate on those projects to successfully complete them. Pella engages in special projects on an as needed basis. These projects are more complicated and can be more impactful than the ongoing projects. The size and complexity of these projects might require contribution from and collaboration with like minded stakeholders. If this is the case, Pella will seek to collaborate on these projects using the UNPRI collaboration platform.

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

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

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

Select from the list:

- 1
- 2
- 3
- 4
- 5

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

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

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

Pella incorporates stewardship considerations in its investment decisions but will not exclude companies based solely on these considerations. For example, when companies have several share classes, Pella's preference is to invest in voting class shares. Pella also has a strong preference to invest in companies it can engage with to fulfil our stewardship responsibilities.

Pella applies its full stewardship obligations to all companies it invests in. This involves participating in every shareholder vote, encouraging the company to become a United Nations Global Compact signatory, if it isn't already, and regular interactions with the company. Pella will also engage in special stewardship projects in relation to specific investees on an "as needed" basis.

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

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

Pella applies four primary tools to fulfil its stewardship responsibilities, including:

1. Engagement
2. Voting
3. Advocacy
4. Transparency

Pella incorporates stewardship considerations and behaviours into all the investments made by the funds it manages.

Engagement

Engagement can take several forms, all of which are intended to monitor and provide feedback to companies and help inform our voting decisions. Pella expects to engage with 100% of its portfolio companies at least annually. Pella's standard engagement practices involve discussing key ESG issues with the companies to deepen Pella's understanding of the issues and how the company is managing them.

Pella deepens its engagement in certain circumstances.

- Portfolio companies with MSCI ESG rating less than A
- Portfolio companies with no MSCI ESG rating
- Severe controversies
- MSCI ESG-rating downgrade
- Special projects – Pella pursues special stewardship projects to improve the ESG characteristics of its portfolio companies.

Proxy Voting

Pella prefers owning voting shares over non-voting shares and participates in all votes at its investments' Annual General Meetings and other shareholding meetings. Pella's voting position is informed by research provided by third party proxy voting advisors and Pella's internal research.

Advocacy

Pella understands that investment decisions alone are insufficient to increase global sustainability and that investment managers have a responsibility to advocate for that cause through other methods. To fulfil this responsibility, Pella engages in other initiatives such as: accreditations and signatory, public commentary.

Transparency

Pella regards transparency as a critical ingredient for stewardship and Responsible Investing more broadly. The company defines transparency in its Transparency Policy as 'providing all the requisite information for all stakeholders to be able to make timely and fully informed decisions about Pella and its funds' financial and responsible investing decisions and outcomes'. To fulfil this requirement Pella divides its communication strategy into the three Ps: (i) Policies; (ii) Portfolio; (iii) Practices. These data are made available in the following places

1. Pella website – access to Pella's various policies, monthly fund reports, opinion pieces, and the annual Responsible Investment Report.
2. Monthly fund reports – provides key investment and ESG data for the fund.
3. Quarterly report – provides the same data as the monthly reports and adds the full portfolio, with a one quarter lag.
4. Annual Responsible Investment Report – provides in-depth data and discussion about Pella's Responsible Investing activities, including: voting, reasoning behind key votes, ongoing and special project outcomes.

STEWARDSHIP: (PROXY) VOTING

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

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

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

Select from the below list:

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

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

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

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

How is voting addressed in your securities lending programme?

- (A) We recall all securities for voting on all ballot items

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

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

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

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

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

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

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

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

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

(A) Yes, for all (proxy) votes

Add link(s):

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

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

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

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

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

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

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

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

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

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

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

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

Pella submits its votes using ISS Proxy Exchange. This service is specially designed to overcome bureaucratic and logistical obstacles in the voting chain and confirmation process.

Pella regularly reviews upcoming shareholding meetings and submits its votes. Pella has a default function within ISS to cast votes on Pella's behalf according to Pella's ESG principals, followed by ISS's recommendations, should Pella omit its votes at any meeting. While this has not been required to date, as Pella submitted votes in all the shareholders meetings, it provides a level of back up.

ISS' service reports on the meetings Pella participated in and the number of votes that Pella submitted. Pella's reviews these reports at least quarterly, and publicly reports the results.

STEWARDSHIP: ESCALATION

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

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

(1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one	<input checked="" type="checkbox"/>
(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal	<input type="checkbox"/>
(C) Publicly engaging the entity, e.g. signing an open letter	<input type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>
(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director	<input checked="" type="checkbox"/>
(F) Divesting	<input checked="" type="checkbox"/>
(G) Litigation	<input type="checkbox"/>
(H) Other	<input type="checkbox"/>

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

o

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

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

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

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

Explain why: (Voluntary)

Pella considers engaging with policy makers as an escalation of its stewardship responsibilities and would fall into Pella's stewardship special projects. This means Pella will engage with policy makers when necessary. For example, Pella is preparing the requisite documents to engage with the US Securities and Exchange Commission during the second half of calendar year 2023, in relation to Pella's special project to require US retailers to disclose their revenue derived from products that contain tobacco.

STEWARDSHIP: EXAMPLES

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

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

(A) Example 1:
Title of stewardship activity:

Encourage investees to become signatories to the UNGC

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

Pella wrote to all the companies in the Pella Global Generations Fund that were not signatories to the UNGC. The responses were broadly positive, and Pella applauds the companies that acted on their pledge and became UNGC signatories, including: ASML, Flow Traders, Samsung Electronics, and Sunrun. Pella will continue encouraging the companies that have not become signatories to do so.

- (B) Example 2:
Title of stewardship activity:

Donate prosthetic limbs to civilian victims of the Russia-Ukraine conflict

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

Pella engaged with large prosthetic limb manufacturers (Enovis, Globus Medical, Integra Lifesciences, Johnson & Johnson, Medtronic, NuVasive, Ossur, Smith & Nephew, Stryker, Zimmer Biomet) to request prosthetic donations to the United Ukraine Appeal for civilian victims of the Russia/Ukraine conflict. Some of the companies (Medtronic, Ossur) were already providing support, while Stryker responded that it would consider the initiative.

(C) Example 3

Title of stewardship activity:

(1) Led by

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

(2) Primary focus of stewardship activity

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

(3) Asset class(es)

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

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

(D) Example 4:

Title of stewardship activity:

(1) Led by

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

(2) Primary focus of stewardship activity

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

(3) Asset class(es)

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

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

(E) Example 5:

Title of stewardship activity:

(1) Led by

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

(2) Primary focus of stewardship activity

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

(3) Asset class(es)

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

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

CLIMATE CHANGE

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

Has your organization identified climate related risks and opportunities affecting your investment?

(A) Yes, within our standard planning horizon

(B) Yes, beyond our standard planning horizon

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

Pella actively seeks to avoid investments that we believe are most exposed to climate related risks. This includes investments with operating facilities in lower lying land areas that would be impacted by rising water levels, activities that require higher altitudes that require snow and will be impacted by global warming, highly water intensive operations, businesses dependent on fossil fuels which facing increasing regulation, agricultural activities that will be negatively impacted by changes in precipitation patterns, among other activities.

The avoidance approach reduces but does not eliminate our investments' climate-related risks. Pella's investments into P&C insurers face climate risk from more extreme weather events. Investments in companies in emerging markets face similar risks as emerging markets are generally more susceptible to climate-related risks than more developed markets. Companies involved in the commodity sector, particularly lithium miners, are exposed to the risk of water depletion.

Pella has made several investments that account for the global climate crisis. Electrification accompanied with increased use of renewables is mandatory to manage this climate risk. Pella has made several investments across that theme including in the industrial metals required for renewable electricity, companies that supply the components required for electrical networks, and companies that develop or install solar electricity equipment.

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

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

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

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

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

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

Climate related risks are likely to be a net benefit to Pella's funds. Pella believes climate risks are a considerable concern with many of the impacts already upon us. In recognition of this Pella incorporates climate considerations throughout its portfolio and deliberately avoids investments most negatively exposed to climate risks, while seeking investments that are part of the solution to these risks. For example, Pella explicitly excludes fossil fuel related businesses from its investment universe, while actively seeking investments involved in solar energy.

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

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

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

(A) Coal

Describe your strategy:

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

(B) Gas

Describe your strategy:

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

(C) Oil

Describe your strategy:

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

(D) Utilities

Describe your strategy:

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

The 5% threshold on thermal-coal powered generation with the requirement that the company must be transitioning away from coal within three years from Pella's initial investment reflects Pella's support for companies transitioning away from thermal coal. The 15% threshold on gas turbine generation reflects the current use of standby gas generation for peak load scenarios, which often cannot be provided by renewable energy. This threshold will decline as batteries become a viable alternative to gas for peak load generation.

- (E) Cement
- (F) Steel
- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road
- (J) Shipping
- (K) Aluminium
- (L) Agriculture, forestry, fishery**

Describe your strategy:

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

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

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

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

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

Provide a link() to your strategy(ie), if available

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

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

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

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios
- (E) **No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that hold temperature rise to below 2 degree**

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

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

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

(1) Describe your process

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

Pella identifies the existence of the above risks during its due diligence process for every company researched. The existence of these risks is incorporated into Pella's investment reports and analysis and is in input into each candidates' risk score and into the decision whether to invest or not. On a like for like basis, companies with more exposure to the climate risks have a higher risk score than ones with lower exposure, making it more difficult for them to enter the portfolio.

Pella measures and tracks the environmental score of its portfolio, as measured by MSCI ESG research, and targets a higher ESG score than the underlying benchmark. The portfolio's environmental score attribution is calculated monthly and Pella targets positive attribution at the sector level and the underlying company level. Pella shares the attribution with interested parties.

In addition, Pella considers carbon intensive operations as likely to face significant regulatory risk. As a result, Pella excludes several fossil fuel related industries from its investment universe including: fossil fuel miners, electricity generation, refiners, and transportation of fossil fuels (e.g., pipelines). Further, Pella measures its portfolio carbon intensity (scope 1 and 2) relative to sales and enterprise value and targets a portfolio with carbon intensity across both measures that is at least 30% lower than the benchmark.

As with the portfolio environmental score, Pella performs attribution analysis of the portfolio carbon intensity and targets a portfolio that has lower sectoral and stock-level carbon intensity than the benchmark. Pella publicly reports the portfolio carbon intensity monthly.

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

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

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

- (B) Yes, we have a process to manage climate-related risks

- (C) No, we do not have any process to identify, assess, or manage the climate related risk affecting our investment

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

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

- (A) Exposure to physical risk
- (B) Exposure to transition risk
- (C) Internal carbon price
- (D) Total carbon emissions
- (E) **Weighted average carbon intensity**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) **Metric or variable used and disclosed**
 - (3) Metric or variable used and disclosed, including methodology
 - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 - <https://www.pellafunds.com/monthly-factsheets>
- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)
- (H) Non ITR measure of portfolio alignment with UNFCCC Paris Agreement goal
- (I) Proportion of assets or other business activities aligned with climate-related opportunities
- (J) Other metrics or variables
 - (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

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

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

- (A) **Scope 1 emissions**
 - (1) Indicate whether this metric was disclosed, including the methodology
 - (1) Metric disclosed
 - (2) **Metric and methodology disclosed**
 - 2) Provide links to the disclosed metric and methodology, as applicable
 - <https://www.pellafunds.com/responsibleinvestingreport>
 - www.pellafunds.com/responsibleinvestingreport
- (B) **Scope 2 emissions**

- (1) Indicate whether this metric was disclosed, including the methodology
 - (1) Metric disclosed
 - (2) Metric and methodology disclosed**
- 2) Provide links to the disclosed metric and methodology, as applicable

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

- (C) Scope 3 emissions (including financed emissions)
- (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

SUSTAINABILITY OUTCOMES

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

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

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities**
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

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

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

- (A) The UN Sustainable Development Goals (SDGs) and targets**
- (B) The UNFCCC Paris Agreement**
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)**
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors**
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights**
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core convention
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
- (K) Other regional framework(s)
- (L) Other sectoral/industry specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

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

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

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key client and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholder (e.g. affected communities, civil society, trade union or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

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

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

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcome connected to our investment activities

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

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

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short and long term horizon
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries

- (D) We want to prepare for and respond to legal and regulatory development that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence to operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

HUMAN RIGHTS

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

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

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

Explain how these activities were conducted

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

The pre-investment screening involves identifying and excluding companies involved in activities or behaviours that have severe negative human rights outcomes. These activities include: for profit prisons, weapons manufacturing or distribution, pornography, and deforestation of old growth rainforests (environmental damage, and displacement of local populations). The excluded behaviours are those covered by the UN Global Compact and OECD Guidelines for Multinational Enterprises. Pella avoids all investment candidates that contravened either the activities or behaviour requirements during the pre-investment process. Pella also conducts human rights due diligence during the investment analysis process. During this step Pella conducts its due diligence using company reports, media reports, and third party analysis such as MSCI ESG research. Potential violations are identified and included in investment reports. If the potential violation is severe, the investment candidate is avoided. If the potential violation is not severe, the candidate may be invested in, but it is given a higher risk premium during Pella's valuation process. The post-investment monitoring process includes remaining informed of investees' human right performance. This involves reading company reports, media reports, and third party research. Pella's policy to manage potential human rights violations depends on whether it is a severe or not-severe violation.

Our policy for severe violations is to exit the stock and prepare a publicly available insight piece on why we exited. An example is Visa, which Pella exited and prepared an insight piece on due to Visa's alleged complicity in child pornography, by knowingly enabling payments to a website that hosted that material. Our policy for not severe violations is to engage with the company to resolve the issue.

- (B) We assessed whether individual at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities

- (E) We did not identify and take action on the actual and potentially negative outcome for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Di clo ure	Sub ection	PRI Principle
PGS 49 1	PLUS	PGS 49	N/A	PUBLIC	Human right	1, 2

During the reporting year, which takeholder group did your organi ation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?

(A) Worker

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Indu trial
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real e tate

(B) Communities

Sector(s) for which each stakeholder group was included

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

(C) Customers and end-users

(D) Other stakeholder groups

Specify

During the reporting period Pella exited Visa and prepared an article explaining our thinking following Visa allegedly enabling payments to a site that hosted child pornography. Visa was not responsible for the pornography but was found by Pella to be complicit in it, as the company continued to enable payments while allegedly being aware of the issue. In this case, the stakeholders impacted are the victims of the sexual exploitation.

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Indu trial
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real e tate

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

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

(A) Corporate disclosures

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

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

(B) Media reports

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

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

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

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

Pella used resources provided by The National Center on Sexual Exploitation during its analysis of the allegation that Visa enabled payments to a site that facilitated child pornography.

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

(E) Data provider scores or benchmarks

Provide further detail on how your organisation used the information source:

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

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

(F) Human rights violation alerts

(G) Sell-side research

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

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

(H) Investor networks or other investors

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

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

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

(J) Social media analysis

(K) Other

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

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

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

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Pella publicly reports all its investments and provides reports to unitholders that summarize each investments' activities, ESG strengths and weaknesses. This enables people affected by negative human rights outcomes connected to Pella's investment activities to identify Pella as a stakeholder in those activities.

Pella provides contact details on its reports and on its website that reach Pella's Managing Directors. This provides people affected by the negative human rights outcomes connected to Pella's investment activities access to senior management to assist in remedying the negative human rights outcomes. To resolve these issues, Pella's policy is to act as an advocate for the people who bring the issue to light.

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

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

LISTED EQUITY (LE)

OVERALL APPROACH

MATERIALITY ANALYSIS

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

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

(3) Active fundamental

(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period	(1) for all of our AUM
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion	o
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	o

MONITORING ESG TRENDS

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

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

(3) Active fundamental

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

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

(1) for all of our AUM

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

o

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

o

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

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

Pella's proprietary analysis of its investment activities' ESG trends involves measuring and reporting on several key environmental, social, and governance issues; including:

- Environmental – whether the investee conducts regular environmental audits, water risk monitoring and measurement, exposure to operations with land or ecosystem disturbance, exposure water intensive operations, exposure to fragile ecosystems, operations producing high levels of packaging waste, operations producing high levels of toxic emissions and waste.
- Social – diversity policy for workforce, programs that facilitate workforce diversity, policy addressing internationally recognized labour conventions, processes to protect customer privacy and data security, human rights policy or evidence of commitment to an external standard, whether the business is prone to data breaches or handles high volumes of customer data, exposure to business with product safety risks.
- Governance – whether the company is a UNGC signatory, auditor report concerns, degree of restatements or special charges, combined CEO/Chairperson, entrenched board, board independence, at least 30% female directors, size of board, multiple equity classes with different voting rights.

Using the above data Pella is positioned to review the implications of changing ESG trends on the portfolio, however, we do not conduct scenario analysis of what impact those changing trends could have on the portfolio.

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Di clo ure	Sub ection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

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

(2) Active fundamental

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

(1) in all cases

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

(1) in all cases

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

(1) in all cases

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

o

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

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

(3) Active - fundamental

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors

(1) in all cases

(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors

(1) in all cases

(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability

(1) in all cases

(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factor

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

o

ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

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

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

Pella incorporates ESG considerations throughout its investment process and for all its investment candidates. This is delivered using internal analysis, MSCI ESG ratings, and assessing controversies.

The investment process starts with screens that remove companies with poor ESG characteristics from Pella's investment universe. This involves using MSCI ESG research to identify and exclude companies with low ESG ratings or those likely to fail norms-based requirements. During the reporting year this screen eliminated companies such as Meta Platforms, Berkshire Hathaway, Netflix, Alibaba, and Tencent from our investment universe.

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

ESG factors are also included in the equity selection process by including ESG factors in the valuation risk premium applied to each position, and by tilting the portfolio to higher rated stocks. For example, during the reporting period Pella invested in Marsh & McLennan ('Marsh'), rather than AON as, while those companies have similar investment characteristics, Marsh has superior ESG credentials.

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

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

(3) Active fundamental

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

(1) for all of our AUM

(B) Material ESG factor contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark election proce

(1) for all of our AUM

(C) Material ESG factor contribute to the country or region weighting of assets within our portfolio construction and/or benchmark election proce

(1) for all of our AUM

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

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

o

POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Sub section	PRI Principle
LE 9	CORE	OO 17 1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

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

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

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

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

(2) Active fundamental

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

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

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

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

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

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

o

PERFORMANCE MONITORING

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

Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the real return of the asset

At a headline level, Pella's ESG screening requirements had a negative impact on relative performance, however closer analysis suggests it had a positive impact.

Companies rated CCC by MSCI ESG are explicitly excluded from Pella's investable universe. Pella's attribution analysis points to CCC-rated companies performing better than the companies with higher ratings. However, that result is entirely explained by Meta Platform's performance, which delivered 84% upside over the reporting period and accounted for 79% of the weight of all CCC-rated companies. Excluding Meta from the analysis, CCC-rated companies delivered 10.3% during the reporting period, which is the lowest performance of the MSCI ESG rating segments and underperformed Pella's portfolio returns, indicating Pella's realised returns benefited from excluding CCC rated companies

This is further demonstrated by measuring the performance of MSCI ESG ratings using the median return, rather than weighted average return of each ESG rating. Applying that methodology points to the following returns (measured as total returns, in AUD):

- AAA rated companies = 14.3%
- AA rated companies = 14.8%
- A rated companies = 13.1%
- BBB rated companies = 6.4%
- BB rated companies = 2.0%
- B rated companies = 8.7%
- CCC rated companies = -12.5%

The above data demonstrates that there is a strong positive relationship between ESG ratings and relative returns over the reporting period. This indicates that Pella's decision to avoid companies with low ratings, and tilt its portfolio towards higher rated companies, had a positive impact on portfolio performance during the reporting period

DISCLOSURE OF ESG SCREENS

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

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

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

SUSTAINABILITY OUTCOMES (SO)

SETTING TARGETS AND TRACKING PROGRESS

SETTING TARGETS ON SUSTAINABILITY OUTCOMES

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

What specific sustainability outcome connected to its investment activities has your organization taken action on?

- (A) Sustainability outcome #1
 - (1) Widely recognized framework used to guide action on this sustainability outcome
 - (1) The UN Sustainable Development Goals (SDGs) and targets
 - (2) The UNFCCC Paris Agreement
 - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
 - (4) OECD framework OECD Guideline for Multinational Enterprise and Guidance on Responsible Business Conduct for Institutional Investors
 - (5) The EU Taxonomy
 - (6) Other relevant taxonomies
 - (7) The International Bill of Human Rights
 - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - (9) The Convention on Biological Diversity
 - (10) Other international, regional, sector based or issue specific framework()
 - (2) Classification of sustainability outcome
 - (1) Environmental
 - (2) Social
 - (3) Governance related
 - (4) Other

(3) Sustainability outcome name

Climate change mitigation

(4) Number of targets set for this outcome

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

(B) Sustainability outcome #2

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

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

(2) Classification of sustainability outcome

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

(3) Sustainability outcome name

Climate impact audit

(4) Number of targets set for this outcome

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

(C) Sustainability outcome #3

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

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

(2) Classification of sustainability outcome

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

(3) Sustainability outcome name

Human rights policy

(4) Number of targets set for this outcome

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

(D) Sustainability outcome #4

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

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

(2) Classification of sustainability outcome

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

(3) Sustainability outcome name

Encourage workforce diversity

(4) Number of targets set for this outcome

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

(E) Sustainability outcome #5

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

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

(2) Classification of sustainability outcome

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

(3) Sustainability outcome name

UN Global Compact signatory

(4) Number of targets set for this outcome

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

(F) Sustainability outcome #6

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

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

(2) Classification of sustainability outcome

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

(3) Sustainability outcome name

Females board representation

(4) Number of targets set for this outcome

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

(G) Sustainability outcome #7

(H) Sustainability outcome #8

(I) Sustainability outcome #9

(J) Sustainability outcome #10

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

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

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:	Climate change mitigation
(1) Target name	Portfolio carbon intensity
(2) Baseline year	2022
(3) Target to be met by	2024
(4) Methodology	Portfolio and Benchmark weighted average (according to portfolio weight) carbon emissions (scope 1 and scope 2) relative to enterprise value and relative to revenue
(5) Metric used (if relevant)	Carbon emissions (scope 1 and scope 2) relative to enterprise value and relative to revenue
(6) Absolute or intensity-based (if relevant)	(2) Intensity-based
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	Portfolio carbon intensity to be at least 50% lower than the Benchmark carbon intensity
(9) Percentage of total AUM covered in your baseline year for target setting	100%
(10) Do you also have a longer-term target for this?	

(B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2:	Climate impact audit
(1) Target name	Climate impact audit
(2) Baseline year	2022
(3) Target to be met by	2024

(4) Methodology	Calculate the percentage of Pella's investment portfolio that engages in an annual environmental audit. Calculated using a binary measure of whether an investee conducts an environmental audit and the average weight of each investee in the portfolio over the reporting period.	
(5) Metric used (if relevant)	Binary (yes/no) whether the investee conducts an annual environmental audit. Average weight of each position in the portfolio over the reporting year.	
(6) Absolute or intensity-based (if relevant)		(1) Absolute
(7) Baseline level or amount (if relevant):	45% in FY23	
(8) Target level or amount (if relevant)	>50%	
(9) Percentage of total AUM covered in your baseline year for target setting	100%	
(10) Do you also have a longer-term target for this?		(1) Yes
(C1) Sustainability Outcome #3: Target details		
(C1) Sustainability Outcome #3:	Human rights policy	
(1) Target name	Human rights policy	
(2) Baseline year	2022	
(3) Target to be met by	2024	
(4) Methodology	Calculate the percentage of Pella's investment portfolio that has a human rights policy. Calculated using a binary measure of whether an investee has a human rights policy or not, audit and the average weight of each investee in the portfolio over the reporting period.	

(5) Metric used (if relevant)	Binary (yes/no) whether the investee has a human rights policy. Average weight of each position in the portfolio over the reporting year.	
(6) Absolute or intensity-based (if relevant)		(1) Absolute
(7) Baseline level or amount (if relevant):	4% in FY23	
(8) Target level or amount (if relevant)	10%	
(9) Percentage of total AUM covered in your baseline year for target setting	100%	
(10) Do you also have a longer-term target for this?		(1) Yes
(D1) Sustainability Outcome #4: Target details		
(D1) Sustainability Outcome #4:	Encourage workforce diversity	
(1) Target name	Workforce diversity program	
(2) Baseline year	2022	
(3) Target to be met by	2024	
(4) Methodology	Calculate the percentage of Pella's investment portfolio that has workforce diversity programs. Calculated using a binary measure of whether an investee has workforce diversity programs or not, audit and the average weight of each investee in the portfolio over the reporting period.	
(5) Metric used (if relevant)	Binary (yes/no) whether the investee has a workforce diversity program(s). Average weight of each position in the portfolio over the reporting year.	

(6) Absolute or intensity-based (if relevant)		(1) Absolute
(7) Baseline level or amount (if relevant):	64% in FY23	
(8) Target level or amount (if relevant)	75%	
(9) Percentage of total AUM covered in your baseline year for target setting	100%	
(10) Do you also have a longer-term target for this?		(1) Yes

(E1) Sustainability Outcome #5: Target details

(E1) Sustainability Outcome #5:	UN Global Compact signatory	
(1) Target name	UNGC signatories	
(2) Baseline year	2022	
(3) Target to be met by	2024	
(4) Methodology	Calculate the percentage of Pella's investment portfolio that is a UNGC signatory. Calculated using a binary measure of whether an investee is a UNGC signatory or not, audit and the average weight of each investee in the portfolio over the reporting period.	
(5) Metric used (if relevant)	Binary (yes/no) whether the investee has a UNGC signatory Average weight of each position in the portfolio over the reporting year.	
(6) Absolute or intensity-based (if relevant)		(1) Absolute
(7) Baseline level or amount (if relevant):	45%	
(8) Target level or amount (if relevant)	>50%	

(9) Percentage of total AUM covered in your baseline year for target setting 100%

(10) Do you also have a longer-term target for this? (1) Yes

(F1) Sustainability Outcome #6: Target details

(F1) Sustainability Outcome #6: Females board representation

(1) Target name Femail board representation

(2) Baseline year 2022

(3) Target to be met by 2024

(4) Methodology Calculate the percentage of Pella's investment portfolio with females comprising at least 30% of the number of directors on the investee's board of directors. Calculated using a binary measure of whether an investee has at least 30% female board representation, and the average weight of each investee in the portfolio over the reporting period.

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

(6) Absolute or intensity-based (if relevant) (1) Absolute

(7) Baseline level or amount (if relevant): 20%

(8) Target level or amount (if relevant) 30%

(9) Percentage of total AUM covered in your baseline year for target setting 100%

(10) Do you also have a longer-term target for this? (1) Yes

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

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

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(B1) Sustainability Outcome #2: Climate impact audit	Climate impact audit	2030	80%
(C1) Sustainability Outcome #3: Human rights policy	Human rights policy	2030	25%
(D1) Sustainability Outcome #4: Encourage workforce diversity	Workforce diversity program	2030	90%
(E1) Sustainability Outcome #5: UN Global Compact signatory	UNGC signatories	2030	90%
(F1) Sustainability Outcome #6: Females board representation	Femail board representation	2030	70%

TRACKING PROGRESS AGAINST TARGETS

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

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

(A1) Sustainability outcome #1:

(A1) Sustainability outcome #1: Climate change mitigation

Target name: Portfolio carbon intensity

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

(B1) Sustainability outcome #2:

(B1) Sustainability outcome #2: Climate impact audit

Target name: Climate impact audit

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

(C1) Sustainability outcome #3:

(C1) Sustainability outcome #3: Human rights policy

Target name: Human rights policy

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

(D1) Sustainability outcome #4:

(D1) Sustainability outcome #4: Encourage workforce diversity

Target name: Workforce diversity program

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

(E1) Sustainability outcome #5:

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

Target name: UNGC signatories

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

(F1) Sustainability outcome #6:

(F1) Sustainability outcome #6: Females board representation

Target name: Femail board representation

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

INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

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

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

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets

Select from drop down list:

- (1) Individually
- (2) With other investors or stakeholders
- (B) Stewardship: engagement with external investment managers
- (C) Stewardship: engagement with policy makers
- (D) Stewardship: engagement with other key stakeholders
- (E) Capital allocation
- (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

STEWARDSHIP WITH INVESTEEES

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

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

(A) Across all sustainability outcomes

(1) Describe your approach

Pella has a five-pronged stewardship approach with investees, listed below:

1) Vote - Pella's policy is to participate in 100% of its funds' investments votes. To assist in decision making, Pella subscribes to a proxy voting service that provides independent analysis and voting recommendations on key governance issues.

Pella considers these recommendations when arriving at a decision. Pella votes in accordance with the concept of 'avoiding significant harm'. Pella defines significant harm as 'activities that come at a material cost to current or future generations'. This means Pella will vote against any activities that could be a breach of the UN Global Compact, the OECD Guidelines for Multinational Enterprises or any other internationally accepted behavioural norms.

If the said activity is not explicitly voted on, Pella will prioritise the consideration of the matter in its decision on how to vote on executive remuneration and director re(election).

2) Engage with companies - Pella may engage with companies via written or verbal communication to share sustainability-related concerns or make sustainability-related recommendations.

For example, Pella writes to the CEOs of every investee company in Pella's portfolio that is not an UN Global Compact signatory to encourage them to become one.

3) Shareholder resolutions – Pella is currently preparing a resolution to be considered at one of its investee company's AGM requesting that company reports its tangential fossil fuel exposures.

- 4) Exit – Pella will exist positions where the investee is involved in a severe sustainability controversy, or otherwise breaches Pella’s sustainability requirements, and Pella is unable to negotiate a resolution with the investee.
- 5) Prepare opinion pieces – Pella prepares publicly-available opinion pieces to communicate its view regarding sustainability issues. For example, in the reporting period Pella prepared an opinion piece titled “Visa, Porn, and our Red Line” which explains why Pella believes Visa breached our norms-based requirements, resulting in Pella exiting that position.

(2) Stewardship tools or activities used

- (1) Engagement
 (2) (Proxy) voting at shareholder meetings
 (3) Filing of shareholder resolutions or proposals

(3) Example

Engage with companies - Pella may engage with companies via written or verbal communication to share sustainability-related concerns or make sustainability-related recommendations. For example, Pella writes to the CEOs of every investee company in Pella’s portfolio that is not an UN Global Compact signatory to encourage them to become one.

Vote - Pella’s policy is to vote participate in 100% its funds’ investments votes. To assist in decision making, Pella subscribes to a proxy voting service which provides independent analysis and voting recommendations on key governance issues. Pella considers these recommendations when arriving at a decision. Pella votes in accordance with the concept of ‘avoiding significant harm’. Pella defines significant harm as ‘activities that come at a material cost to current or future generations’. This means Pella will vote against any activities that could be a breach of the UN Global Compact, the OECD Guidelines for Multinational Enterprises or any other internationally accepted behavioural norms. If the said activity is not explicitly voted on, Pella will prioritise the consideration of the matter in its decision on how to vote on executive remuneration and director re(election).

Shareholder resolution – Pella is currently preparing a resolution to be considered at one of its investee company’s AGM requesting that company reports its tangential fossil fuel exposures.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

Climate change mitigation

(1) Describe your approach

Pella’s policy is to always vote in favour of pro-environment resolutions at shareholder meetings.

(2) Stewardship tools or activities used

- (2) (Proxy) voting at shareholder meetings

(3) Example

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2: Climate impact audit

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: Human rights policy

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Encourage workforce diversity

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5:	UN Global Compact signatory
(1) Describe your approach	On a semi-annual basis, Pella writes to every investee in Pella's fund that is not a signatory of the UN Global Compact, to encourage them to do so. This engagement includes a letter to the company's CEO, or highest executive office, explaining the reasons they should become a UNGC signatory, and the draft letter on behalf of the investee, to simplify the process of them becoming signatories. To date, Pella has successfully encouraged several prominent companies to become UNGC signatories.
(2) Stewardship tools or activities used	(1) Engagement
(3) Example	

(G) Sustainability Outcome #6:

(G) Sustainability Outcome #6:	Females board representation
(1) Describe your approach	Pella's director nomination votes are materially influenced by the female representation on investees' board of directors. Where less than 30% of the board is composed of female directors, Pella might vote against the nomination of a male director, due to an over representation of males on that board.
(2) Stewardship tools or activities used	(2) (Proxy) voting at shareholder meetings
(3) Example	

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

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

(A) We prioritise the most strategically important companies in our portfolio.

Describe how you do this:

Pella's stewardship initiatives include ongoing strategies and special projects. The key ongoing initiative involve voting in all shareholder meetings with a default to vote in favour of sustainability outcomes and reaching out to all portfolio positions to request they that become signatories of the United Nations Global Compact (UNGC). We have had some success with this initiative as Samsung Electronics, Flow Traders, Sun Run, and ASML became signatories following our request. However, there is more work to be done and Pella is targeting more companies within its investment portfolio to become signatories.

There are currently two special projects that Pella is pursuing and is targeting a resolution within the next two years. The first relates to improving the Marsh & McLennan's ("Marsh") fossil fuel exposure. Marsh has an insurance brokering business that facilitated insurance for a controversial oil pipeline in Africa, which we learned about following an article prepared by The Bureau of Investigative Journalism.

The second special project relates to retailer's tobacco sales disclosure. At present retailers are not required to report their revenue from tobacco sales. This makes it difficult to avoid companies with overt exposure to sales of those products. Pella is targeting tobacco-sales disclosure from all US retailers.

During FY23 Pella wrote to all the retailers of consumer staples in its investment portfolio, requesting them to disclose the proportion of revenue they generate from tobacco sales. All these companies chose not to comply with our request as they do not consider these disclosures an industry standard. In response, we intend to make a submission to the US Securities and Exchange Commission (SEC) and potentially other regulators to establish a requirement for retailers to disclose their tobacco-related revenue. Pella selects the special projects by balancing the probability of success and the importance of the initiative.

Select from the list:

- 1
- 2
- 3
- 4

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

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

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

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

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year

- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL AUDIT

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

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

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

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

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

The entire submission was independently reviewed by Pella's Managing Director, a Senior Investment Analysts, Head of Distribution, and Chairman/CIO.

INTERNAL REVIEW

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

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

(A) Board, trustees, or equivalent

Sections of PRI report reviewed

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

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

Sections of PRI report reviewed

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

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