



Quarterly Stewardship Report

Q4 2025





Our purpose is to preserve and enhance the value of our clients' assets through long-term engagement and analysis.

AS AT 31 DECEMBER 2025

Our Quarterly Stewardship Report aims to provide investors with information on our voting and engagement activity, as well as highlighting some key focus areas for the Stewardship team for the year.

VOTING

Voted on 17 meetings

We voted with management at 12 meetings. At 4 meetings we voted against management on at least one resolution.

VOTING CASE STUDY - JACK HENRY

Evenlode voted in favour of all resolutions at Jack Henry's AGM, a holding in the IFSL Evenlode Global Equity Fund. Overall, the company's remuneration framework was well structured and had a good level of disclosure. Following the CEO's transition in June 2024, total remuneration fluctuated year-on-year with Gregory Adelson receiving just over \$7m for the period, of which more than 80% was performance-based. We view this kind of structure as broadly positive especially when remuneration policies are aligned with the company's short and long-term strategic ambitions.

We liked the inclusion of Organic Revenue Growth CAGR in the long-term incentive plan and especially appreciated the ambitious target and the use of discretion. Our main concern was the Total

Shareholder Return (TSR) metric and the selection of the peer group used to measure relative performance. We preferred to see a more focused set of peers/competitors, rather than the broad S&P 1500 Software & Services Index, to ensure performance is benchmarked against the most relevant companies. Additionally, we felt the TSR performance threshold was quite weak given the scale of the payout. For example, a TSR of 3.5% over the three-year performance period, measured against the S&P 1500 Software & Services Index, resulted in a 52.7% payout under this metric - equivalent to just under \$2m for the CEO.

We highlighted our concerns to the company after the AGM and are awaiting management's response.

ENGAGEMENT

Engaged with 8 companies

Engaged on 9 themes

Engaged the most on remuneration and company strategy





ENGAGEMENT CASE STUDY - BROADRIDGE

Evenlode voted with management at Broadridge's annual general meeting (AGM) in the quarter, supporting the shareholder resolution relating to executive compensation. This was in comparison to the previous year's where we voted against on the same executive compensation related resolution. Over the last couple of years Evenlode has disliked the sole use of Earnings Per Share (EPS) in Broadridge's long-term incentive plan. We feel an additional metric which the management team have more direct control over would make the policy more robust. As a result, we engaged with the company off the back of our analysis.

PFAS REGULATIONS - MEDTRONIC

Per-and Polyfluoroalkyl Substances (PFAS) are a large class of synthetic chemicals known for their persistence in the environment - often referred to as "forever chemicals." The group is made up of at least 5,000 individual substances which vary significantly in their chemical structure, functional use and risk profile. They are defined by strong carbon-fluorine bonds, making them extremely stable to water, grease and heat. This durability means they can accumulate in soil and water systems, raising concerns around its negative impact on the environment as well as human health.

We recently reviewed the changes to the PFAS regulations in both the EU and the US. In the EU, the proposed REACH universal PFAS restriction aims to ban or severely limit the manufacture, placing on the market, and use of PFAS. In the US, the Toxic Substances Control Act (TSCA) requires companies that manufactured or imported PFAS (or PFAS-containing articles) at any point from 2011-2022 to report data on use, volume, disposal and exposure to the forever chemicals¹. The EU regulation includes time-limited derogations (exemptions) for essential applications -

Over the past 12 months, Broadridge has added an additional metric to its Performance Restricted Stock Units (PRSU's) and will now include Organic Recurring Revenue Growth in the plan going forward. The committee explained that this change was made not only to better align with market practice but also in direct response to feedback received. Combined with other improvements in our assessment of the company's ESG assessment - such as improved chair independence and tenure, as well as the adoption of SBTi-approved net-zero targets - this update contributed to the company's ESG risk score improving from a D to a B.

particularly medical devices, semiconductors and aerospace uses, where alternatives do not yet exist or require long validation cycles².

Given its reliance on PFAS and ethylene oxide (EtO) in certain medical applications, Medtronic - a holding in the IFSL Evenlode Global Income fund - is the most exposed to the upcoming regulations.

Medtronic highlighted '*they are actively monitoring PFAS regulations and working with suppliers to ensure safe and stable device production. PFAS chemicals may be present in some implantable and imaging devices and in some packaging materials*'. As a result, the company has launched a multi-year programme to firstly identify PFAS use across their manufacturing facilities and products, followed by a consultation period with their suppliers to explore potential alternatives.

On a recent expert call, a senior director responsible for device design and manufacturing at Medtronic (with over 20 years of experience in medical devices), explained that the company is currently evaluating replacements for high-

¹ <https://www.epa.gov/assessing-and-managing-chemicals-under-tsc/tsc-section-8a7-reporting-and-recordkeeping>

² <https://echa.europa.eu/-/echa-publishes-updated-pfas-restriction-proposal>





performance fluoropolymers such as Teflon (PTFE). However, for certain life-sustaining applications - such as materials used in cardiac stents and catheters - components like fluoropolymers (ETFE), are difficult to replace without compromising safety, durability and regulatory compliance. The expert went on to say, *'You're going to continue to want fully covered cardiac stents that can be compressed through the femoral artery and then expand safely and remain stable in the body for 10 or 20 years. There is no obvious near-term breakthrough replacement for some of these materials.'*

The US Food & Drug Administration (FDA) has said that fluoropolymers (PTFEs), which are used in life-saving devices like cardiac stents and catheters, are currently considered safe and there is no evidence-based reason to restrict their use³.

In the EU, the proposed REACH PFAS regulation recognises that there are no viable substitutes for many of these critical applications today and therefore includes potential derogation periods from as little as 18 months to up to 12 years. However, at this stage, it is unclear whether medical devices will be affected by these derogations and for how long that period will last.

We will continue to monitor the regulations as they come into effect, as well as continue engaging with the company to understand the outcomes of its consultation period with suppliers.

³ <https://www.fda.gov/medical-devices/products-and-medical-procedures/pfas-medical-devices>





STEWARDSHIP TEAM AND ESG RANKINGS



Sawan Wadhwa
Head of Stewardship



Bethan Rose
Stewardship Analyst



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Lily Postlethwaite
Stewardship Analyst

Our ongoing commitment

Evenlode Investment Management became a signatory to the United Nations Principles for Responsible Investment (UNPRI) in 2018. By becoming signatories, we commit to implementing these principles and incorporating environmental, social and governance factors into our investment process to help enhance returns and better manage risk for our clients

Signatory of:



Policy Governance and Strategy



Direct - Listed Equity Active Fundamental



Confidence Building Measures



MORNINGSTAR

IFSL Evenlode Income
IFSL Evenlode Global Income
IFSL Evenlode Global Equity
Evenlode Global Dividend
Evenlode Global Opportunities



MSCI



The Morningstar® Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio holdings are managing their environmental, social, and governance risks relative to the fund's Morningstar Global Category peers, with 5 globes being the highest rating. IFSL Evenlode Income, IFSL Evenlode Global Equity, Evenlode Global Dividend and Evenlode Global Opportunities are based on 100% of AUM; IFSL Evenlode Global Income is based on 95.7% of AUM. Data as at 31 October 2025.

The Morningstar® Low Carbon Designation™ is intended to allow investors to easily identify low-carbon funds across the global universe. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy. IFSL Evenlode Income, IFSL Evenlode Global Equity, Evenlode Global Dividend and Evenlode Global Opportunities are based on 100% of AUM; IFSL Evenlode Global Income is based on 95.7% of AUM. Data as at 30 September 2025.

MSCI ESG Fund Ratings aim to measure the resilience of funds to long-term risks and opportunities arising from environmental, social and governance (ESG) issues. Each fund scores a rating on a scale from CCC (laggard) to AAA (leader). The rating is based first on the weighted average score of the underlying holdings of the fund. ESG momentum is then assessed to gain insight into the fund's ESG track record, which is designed to indicate a fund's exposure to holdings with a positive rating trend or worsening trend year over year. For more information on the methodology please visit our website. IFSL Evenlode Income, IFSL Evenlode Global Equity are based on 100% of AUM as at 31 October 2025. Evenlode Global Opportunities is based in 100% of AUM as at 30 September 2025. IFSL Evenlode Global Income is based on 95.7% of AUM as at 31 October 2025. Evenlode Global Dividend is based on 95.7% of AUM as at 31 March 2025.





Important Information

Evenlode has developed a [Glossary](#) to assist investors to better understand commonly used terms.

We believe that delivering real, durable returns over the long term can be best achieved by integrating environmental, social and governance (ESG) factors into our risk management framework as this ensures that all long-term risks are monitored and managed on an ongoing basis. In addition to reviewing ESG factors when making investment decisions, we engage with portfolio companies on a range of ESG issues (for example greenhouse gas emission reduction). However, please note that the Evenlode funds do not have a sustainability objective. This document is not intended as a recommendation to invest in any particular asset class, security or strategy. The information provided is for information purposes only and should not be relied upon as a recommendation to buy or sell securities. For full information on the Evenlode funds, including risks and costs, please refer to the Key Investor Information Documents, Annual & Interim Reports and the Prospectuses, which are available on the Evenlode Investment Management website (www.evenlodeinvestment.com). Recent performance information is shown on monthly factsheets, also available on the website. Every effort is taken to ensure the accuracy of the data in this document, but no warranties are given. Evenlode Investment Management Limited is authorised and regulated by the Financial Conduct Authority. No 767844.

ESG ratings

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