

Summary

The financial year ending 30 June 2023 represented the first full year of proxy voting for Loftus Peak and the first full year over which our Proxy Voting Policy was applied. Through the course of the year we further developed our ESG integration at the company valuation level. As a result, in the future we expect to have a more valuation-driven list of companies with which we want to engage to apply ESG risk in the investment process.

Direct Engagement

In the year ending 30 June 2023 we engaged directly with two portfolio holdings:

CrowdStrike (CRWD.US):



Engagement with CrowdStrike was initiated following a marked change in the company's ESG risk rating between October 2022 and November 2022 - moving from a *low* ESG risk to *medium* ESG risk (according to Sustainalytics). The driving material factor cited by Sustainalytics was human capital. In particular, the risk of the cybersecurity sub-industry's dependence on the small pool of software developers capable of operating these companies.

Outcome:

CrowdStrike responded to Loftus Peak's engagement letter. The company articulated its approach to human capital risk through managing existing employees as well as developing sources of new talent. Of specific note were the hybrid working arrangements, with 70% of the company operating remotely before COVID-19.

The company also added that they offer scholarship programs, including CrowdStrike's NextGen Scholarship Program, the Thurgood Marshall College Fund and the Arkwright Engineering Scholarships program. The company reported that the scholarship program expanded by +33% during the year ending 30 June 2023.

These insights gave Loftus Peak confidence in the company's ability to handle human capital and helped inform the investment team to integrate CrowdStrike's ESG risk in valuing the company in the investment process. The investment team maintained its current ESG rating for CrowdStrike.



Wolfspeed was added to portfolios during the financial year. The company fabricates silicon carbide (SiC) semiconductor componentry. Loftus Peak has previously invested in semiconductor fabricators and was aware of their respective environmental footprint, both their CO2 emissions and their high on-site water usage.

Loftus Peak engaged with Wolfspeed to clarify whether the SiC fabrication process posed any additional risks when compared to silicon. In addition, we wanted to understand what actions the company was taking to mitigate the generally understood risks of semiconductor fabrication, as well as any SiC-specific risks should they exist.

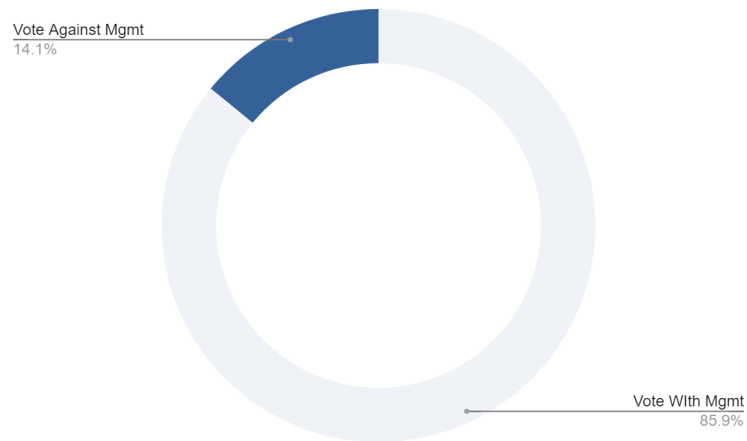
Outcome:

Wolfspeed has not yet responded to our attempt to engage. We will endeavour to engage again in the future. In the meantime, until supporting evidence suggests otherwise, the company carries a discount penalty for ESG risk in the Loftus Peak company valuation applied in the investment process.

Proxy Voting ---

During the year ending 30 June 2023, Loftus Peak cast a total of 373 ballots across 31 company meetings. In 15 of these meetings, at least one vote was not cast *For*. In 7 meetings at least one vote was not cast in line with management. 14.1% of total votes were against management (as seen in illustration 1).

Illustration 1: Resolutions Voted Against Management



20.6% of total votes cast were against the ballot, irrespective of whether management was in favour or against (as seen in illustration 2). The 6.5% difference between the votes against the ballot and votes against management represents instances where management recommended a vote against. This occurred against shareholder proposals. Shareholder proposals represented 14.9% of the total ballot voted.

Illustration 2: Loftus Peak Voting Record Summary¹

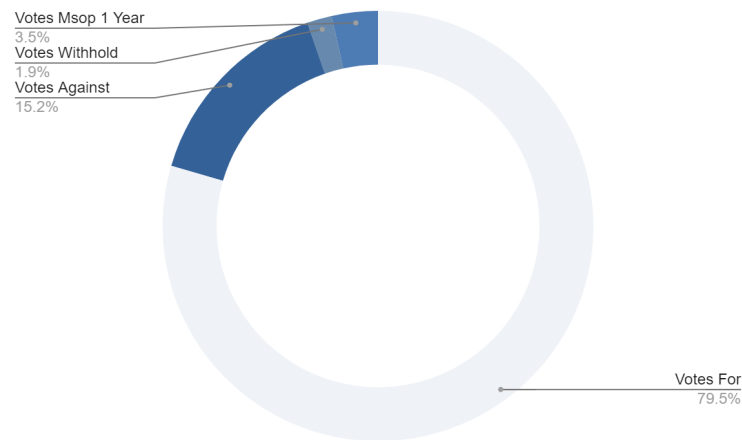


Illustration 3: Resolutions Vote details

The Votes Against Report showing votes against management proposals and against shareholder proposals is shown in the following table.

¹ Management say on pay (MSOP)

VOTES AGAINST REPORT

REPORTING PERIOD: 06/30/2022 to 06/30/2023

Meeting Date: 02/22/2023

Ticker: DE

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Submit Severance Agreement (Change-in-Control) to Shareholder Vote	SH	Against	For

Meeting Date: 03/10/2023

Ticker: AAPL

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Report on Median Gender/Racial Pay Gap	SH	Against	For
Amend Proxy Access Right	SH	Against	For

Meeting Date: 05/17/2023

Ticker: 700

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights	Mgmt	For	Against

Meeting Date: 05/17/2023

Ticker: 700

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Adopt 2023 Share Option Scheme	Mgmt	For	Against
Approve Transfer of Share Options	Mgmt	For	Against
Approve Termination of the Existing Share Option Scheme	Mgmt	For	Against
Approve Scheme Mandate Limit (Share Option) under the 2023 Share Option Scheme	Mgmt	For	Against
Approve Service Provider Sublimit (Share Option) under the 2023 Share Option Scheme	Mgmt	For	Against
Adopt 2023 Share Award Scheme	Mgmt	For	Against
Approve Transfer of Share Awards	Mgmt	For	Against
Approve Termination of the Existing Share Award Schemes	Mgmt	For	Against
Approve Scheme Mandate Limit (Share Award) under the 2023 Share Award Scheme	Mgmt	For	Against
Approve Scheme Mandate Limit (New Shares Share Award) under the 2023 Share Award Scheme	Mgmt	For	Against
Approve Service Provider Sublimit (New Shares Share Award) under the 2023 Share Award Scheme	Mgmt	For	Against

Meeting Date: 05/24/2023

Ticker: AMZN

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Elect Director Edith W. Cooper	Mgmt	For	Against
Elect Director Daniel P. Huttenlocher	Mgmt	For	Against
Elect Director Judith A. McGrath	Mgmt	For	Against
Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	Against
Report on Customer Due Diligence	SH	Against	For
Report on Impact of Climate Change Strategy Consistent With Just Transition Guidelines	SH	Against	For
Report on Climate Lobbying	SH	Against	For

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Report on Median and Adjusted Gender/Racial Pay Gaps	SH	Against	For
Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining	SH	Against	For
Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates	SH	Against	For
Commission a Third Party Audit on Working Conditions	SH	Against	For
Report on Efforts to Reduce Plastic Use	SH	Against	For
Commission Third Party Study and Report on Risks Associated with Use of Rekognition	SH	Against	For

Meeting Date: 05/31/2023

Ticker: WMT

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	Against
Commission Third Party Racial Equity Audit	SH	Against	For
Oversee and Report a Workplace Health and Safety Audit	SH	Against	For

Meeting Date: 06/02/2023

Ticker: GOOGL

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Elect Director John L. Hennessy	Mgmt	For	Against
Elect Director Frances H. Arnold	Mgmt	For	Against
Amend Omnibus Stock Plan	Mgmt	For	Against
Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	Against
Advisory Vote on Say on Pay Frequency	Mgmt	Three Years	One Year

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Report on Lobbying Payments and Policy	SH	Against	For
Report on Framework to Assess Company Lobbying Alignment with Climate Goals	SH	Against	For
Report on Risks of Doing Business in Countries with Significant Human Rights Concerns	SH	Against	For
Publish Independent Human Rights Impact Assessment of Targeted Advertising Technology	SH	Against	For
Disclose More Quantitative and Qualitative Information on Algorithmic Systems	SH	Against	For
Report on Alignment of YouTube Policies With Online Safety Regulations	SH	Against	For
Adopt Share Retention Policy For Senior Executives	SH	Against	For
Approve Recapitalization Plan for all Stock to Have One-vote per Share	SH	Against	For

Meeting Date: 06/06/2023

Ticker: 2330

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Amend Procedures for Endorsement and Guarantees	Mgmt	For	Against

Meeting Date: 06/08/2023

Ticker: ROKU

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	Against

Meeting Date: 06/14/2023

Ticker: ANET

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Elect Director Lewis Chew	Mgmt	For	Withhold
Elect Director Mark B. Templeton	Mgmt	For	Withhold

Meeting Date: 06/21/2023

Ticker: CRWD

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Elect Director Denis J. O'Leary	Mgmt	For	Withhold

Meeting Date: 06/21/2023

Ticker: INDI

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Elect Director Diane Biagianti	Mgmt	For	Withhold
Elect Director Diane Brink	Mgmt	For	Withhold

Meeting Date: 06/29/2023

Ticker: IOT

Proposal Text	Proponent	Mgmt Rec	Vote Instruction
Elect Director Hemant Taneja	Mgmt	For	Withhold
Elect Director Sue Wagner	Mgmt	For	Withhold