



Loftus Peak Stewardship Report

FINANCIAL YEAR TO JUNE 2026

Summary

The financial year ending 30 June 2026 was the fourth year of proxy voting for Loftus Peak in accordance with the Loftus Peak Proxy Voting Policy. Highlights included:

- Broadened engagement to “bench” companies
- Navigated ESG matters arising in proxy voting ballots related to the Artificial Intelligence (AI) and its carbon footprint

Direct Engagement

Throughout the financial year ending 30 June 2026, Loftus Peak directly engaged with seven companies, some in portfolios and some “bench” companies which Loftus Peak considers ready to buy. These engagements included six new engagements, and one follow up. This was a slight decrease from eight engagements in the previous year.

The increasing number of “bench” stock engagement reflects the ESG risk of these companies being tabled and reviewed during the Loftus Peak Investment Risk Committee. In several engagements, Loftus Peak engaged with companies regarding their improved disclosure of positive impacts. This is in addition to scenarios where companies exhibit high or increasing ESG risk. The newly engaged companies were:

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- **Contemporary Amperex Technology (3750.HK)** - Mining Environmental Risk
- **Netflix (NFLX.US)** - Potential Warner Bros Acquisition
- **Halozyme (HALO.US)** - Medicine Accessibility Initiatives
- **Hitachi (6501.JP)** - Decarbonisation Solutions
- **Samsara (IOT.US)** - Data Protection
- **Uber (UBER.US)** - Sustainable Vehicle Offerings

In addition, **BYD (1211.HK)**, one of last year’s engagements, was followed up.

Two engagements during the financial year are highlighted on the next page.



Samsara is a non-core position that Loftus Peak first entered in 2023. The company offers fleet management software. An example customer could be a trucking company who uses Samsara software to track truck condition, driver behaviour, etc. As a result, Samsara's software operates on top of relatively unique data. These customers are often less accustomed to data security relative to more tech-native businesses. On top of that the structure and nature of the data Samsara manages is more diverse.

This presents the company with a unique data management risk which was the focus of Loftus Peak's engagement. These risks were also flagged by Loftus Peak's third-party data provider; Sustainalytics, with added risk due to a lack of disclosures that highlight internal privacy management controls and the need to clarify the mechanism by which the board can exercise direct oversight of these issues. For this reason, Sustainalytics ranks Samsara as a Medium risk company which is generally higher than software peers.

Outcome

Samsara IR responded and offered to set up a meeting to discuss these risks. On the meeting we discussed these two key risks (1) internal privacy management controls and (2) direct board oversight.

On (1) the company noted that these controls are a part of all contracts between themselves and customers. However, due to the bespoke and proprietary nature of these contracts the controls are not reported.

For (2), the company pushed back, claiming it did have mechanisms to enable board oversight over data privacy issues. Although the explicit mechanisms are not detailed in any publicly available filing or report, Samsara had been outlining them to certain third-party ESG research providers. Sustainalytics was not one of these research providers.

Following the meeting Loftus Peak connected Samsara with Sustainalytics. Loftus Peak hopes to monitor for improved disclosure and if can result in Sustainalytics lowering the ESG risk score assigned to Samsara.



Halozyne is a biotech company that partners with large pharmaceutical companies to re-formulate intravenous (IV) medication for subcutaneous delivery (SC). SC reduces patient risk and reduces treatment time, meaning hospitals can accommodate more patients. Loftus Peak has previously held Halozyne as a non-core position, it is currently on the "bench".

Many of Halozyne's largest partners participate in medicine accessibility initiatives for patients in low and lower middle income countries (LLMICs). For some medications we know that Halozyne's SC reformulation is the majority of total volumes, so it is likely that Halozyne is involved in these initiatives. Yet, Halozyne does not report on them. Loftus Peak engaged to understand why the company does not report and if they would consider doing so in the future.

Outcome

Halozyne responded, noting that as a technology licensing company, they do not commercialise the products directly. Therefore, the company lacks visibility or control over their partner patient access programs. They indicated that Halozyne currently has no dedicated framework to track ENHANZE therapies in partners' LLMIC initiatives, however they continue to engage with partners and monitor public adoption data.

Some amount of information is shared between partners and Halozyne. Presently, LLMIC data is not shared. Considering the benefit in sharing this data, Loftus peak hopes Halozyne may be able to request data in the future.

It is worth considering that Halozyne has individual deals with its partners and arriving at a situation where all partners agree to share information like this may prove difficult.

Proxy Voting

During the financial year ending 30 June 2026, Loftus Peak cast a total of 298 ballots across 29* company meetings. In 20 of these meetings, at least one vote did not agree with management. 50 votes (representing ~17% of total votes cast) disagreed with management.

Illustration 1: Loftus Peak Voting Record Summary

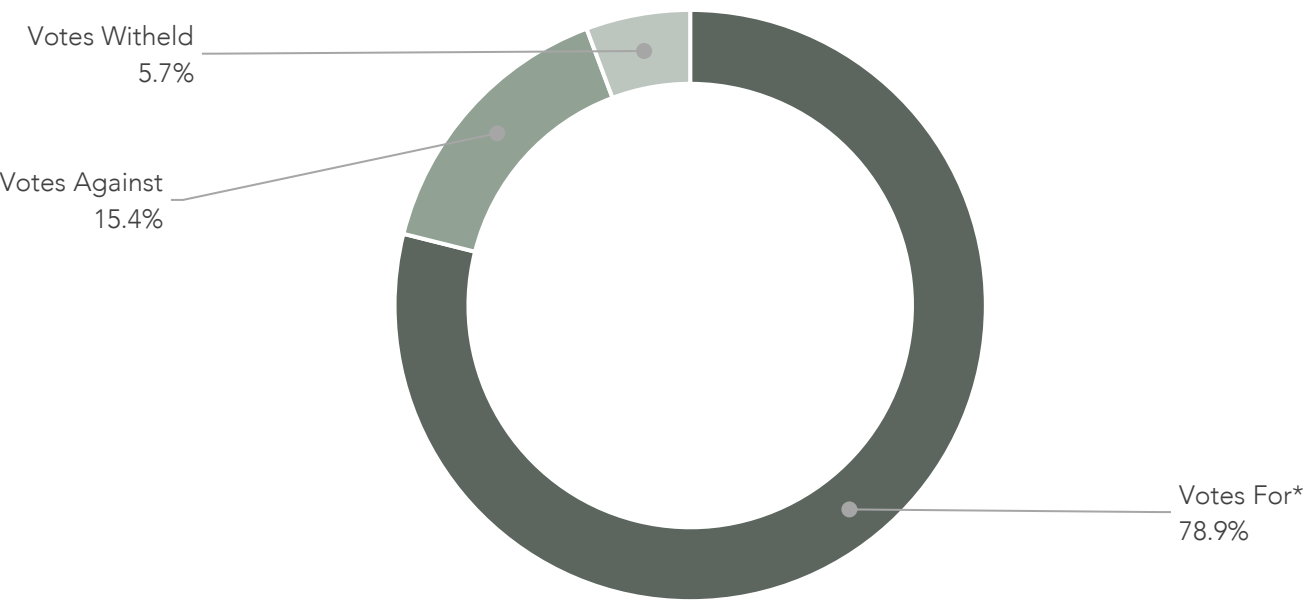
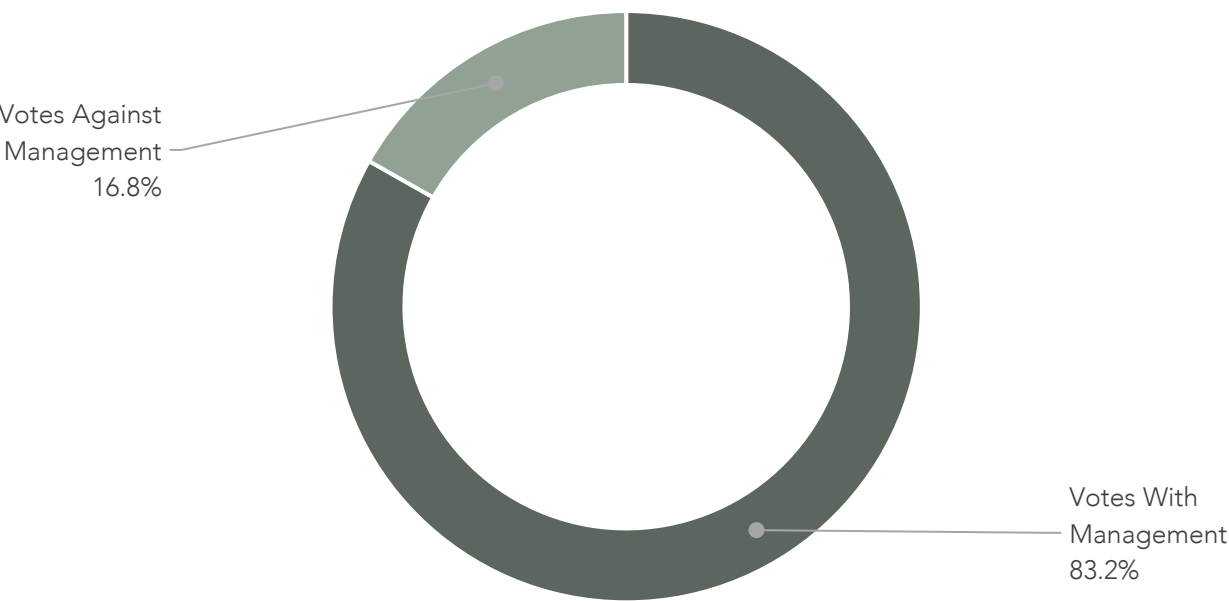


Illustration 2: Resolutions Voted Against Management or Against Instruction



*For 3 meetings during the year, ballots were cast erroneously. ISS displayed recommendations before the research had been completed, defaulting to voting in line with management. Subsequent ISS research diverged from management resulting in votes cast erroneously against ISS.

Voting Rationale around Artificial Intelligence

Generally, the Loftus Peak Proxy Voting Policy generates similar voting outcomes to the recommendations from ISS. This is a function of many ballots relating to routine matters such as the election of boards. Shareholder activism tends to move with trends. After a shift in spotlight towards the repeal of Diversity Equality Inclusion (DEI) initiatives (likely driven by the incoming president, shareholder focus moved back towards AI).

Aligned with ISS & Management



Amazon

Report on Impact of Data Centres on Climate Commitments

- VOTE AGAINST -

The proponent of the proposal argues that Amazon's planned data centre expansion casts doubt on its commitment to reach net zero by 2040, noting that data centre power demand may more than double by 2030. Utilities companies are expanding fossil-fuel generation to meet this demand, and that Amazon's small modular nuclear reactors will not deliver power before the early 2030s. As a result, they requested a report explaining how the company will meet its emissions commitments.

The company board argues that it already discloses progress against its climate goals and that the goals were set on the expectation that operations would grow. It cites a 4 per cent reduction in carbon intensity in 2024, the sixth consecutive annual reduction, during a period of 11 per cent business growth.

The company's sustainability reporting provides significant detail on efficiency initiatives and renewable procurement. Amazon matched 100 per cent of its data centre electricity with renewable sources in 2024, a practice also replicated by other cloud companies. This ballot is important to note as it highlights the mechanism by which the data centre build-out induces the greater proliferation of renewable energy (albeit without removing fossil fuels from the grid in the near term).

Given the level of existing disclosure and the metrics available to track progress against stated targets, Loftus Peak voted **AGAINST** the proposal.

Aligned with ISS, Against Management



Meta

Enhance Workforce Data Reporting

- VOTE FOR -

The proponent of the proposal argues that AI development creates material legal and reputational risk around how data is sourced, as models require ever growing volumes of data and developers may rely on improperly obtained personal data, copyrighted material or proprietary user information. Given Meta's history of privacy controversies and regulatory penalties, they requested a report assessing those risks, the steps taken to mitigate them, and how the company measures their effectiveness.

The company board argues that the report is unnecessary. It points to an internal risk review framework covering privacy and data use in new AI products, to disclosures listing the categories of data used to train its models and the legal bases for processing, and to oversight by the board's Audit and Privacy Committee.

Although Meta has some amount of disclosure surrounding responsible AI development, those disclosures largely describe how user data is handled and how third parties should build on its models, rather than assessing the sourcing of external training data or how the effectiveness of mitigations is measured. It further notes that oversight concerns persist given recurring significant penalties and an ongoing investor lawsuit alleging the company insufficiently reported data privacy risks in the past (Cambridge Analytica).

Given what the existing disclosures do not cover, the recurrence of penalties and litigation over the adequacy of the company's risk reporting and increasing regulatory focus on data privacy and AI governance across its markets, Loftus Peak voted **FOR** the proposal.

LOFTUS PEAK STEWARDSHIP REPORT

Voting Summary Reports

2025

Q1 Report (*click to view pdf*)

Q2 Report (*click to view pdf*)

Q3 Report (*no votes*)

Q4 Report (*click to view pdf*)

2026

Q1 Report (*click to view pdf*)

Q2 Report (*click to view pdf*)

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The investment manager applies ESG principles as part of its broader investment philosophy. However, this Fund is not classified as an ESG product, and ESG criteria may not be applied to all investments. Investors should refer to the PDS for details on the Fund's strategy.

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