

PROGRESS REPORT 2024

CADIRA CAPITAL MANAGEMENT



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Foreword

Message from the CIO: Progress in Perspective

Thank you for reading Cadira Capital Management (“CCM”)’s Progress Report 2024. Established in Japan in 2022, CCM is an asset management firm driven by the mission of “Connecting the Investment Chain and Beyond.” We specialize in managing funds that invest in publicly listed Japanese equities.

This report is designed for those who have an interest in us. While our primary audience consists of asset owners - our clients - and stakeholders within our portfolio companies, we hope that a broader readership will engage with this report. By doing so, we aim to foster deeper discussions on building a stronger, more sustainable investment chain. In January 2024, we launched a UCITS fund classified under Article 9 of the EU Sustainable Finance Disclosure Regulation (SFDR). This long-only fund invests in approximately 60 publicly listed Japanese companies. Over the past year, we have actively engaged in investment and stewardship activities, with a particular focus on sustainability.

This report consolidates our efforts and progress from a sustainability perspective. Rather than labeling this document an Impact Report or a Stewardship Report, we have chosen to call it a Progress Report - emphasizing our ongoing journey rather than a static set of results. Within this report, we use the term sustainability to encompass both environmental and social resilience, as well as the long-term viability and growth of our portfolio companies. The influence of companies on stakeholders is what we define as “impact”. In evaluating investee companies, we focus on their deliberate efforts to generate positive impact while minimizing negative externalities.

Looking beyond the Present

Reflecting on the past five years, the heightened focus on sustainability that emerged during the COVID-19 pandemic has since appeared to wane in the face of rising inflation, geopolitical conflicts, and political instability. As immediate challenges intensify, fewer people seem to have the capacity to think about the future.

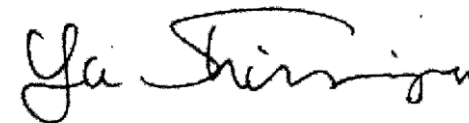
Imposing sustainability as an absolute moral obligation on those struggling with present difficulties will not garner widespread support. However, should we simply stand by and allow the burden of sustaining our current way of life to be shifted onto future generations?

In times of division, looking beyond the immediate is more crucial than ever. Even when people stand on opposing sides, they can still share the same perspective when they look up to the sky.

With this report as a foundation, we hope to engage in meaningful discussions with our stakeholders, align our perspectives, and refine our approach. As we continue moving forward toward a better future, we appreciate your ongoing support and partnership.

Yu Shimizu

Chief Investment Officer & Representative Director



A full-page background image of a desert landscape. In the foreground, a cracked, dry lake bed stretches across the bottom half of the frame. In the middle ground, a single, dark, leafless tree stands isolated. Behind it, a long, low line of smaller, dead trees or shrubs follows the edge of the dry bed. The background is dominated by large, smooth sand dunes that rise gently towards the horizon. The sky above is filled with heavy, grey clouds, creating a somber and atmospheric mood.

Our Mission

At CCM, our mission is to “Connect the Investment Chain and Beyond,” with the goal of actively contributing to solutions for pressing societal challenges.

Defining Key Societal Challenges

Aging Social Structures

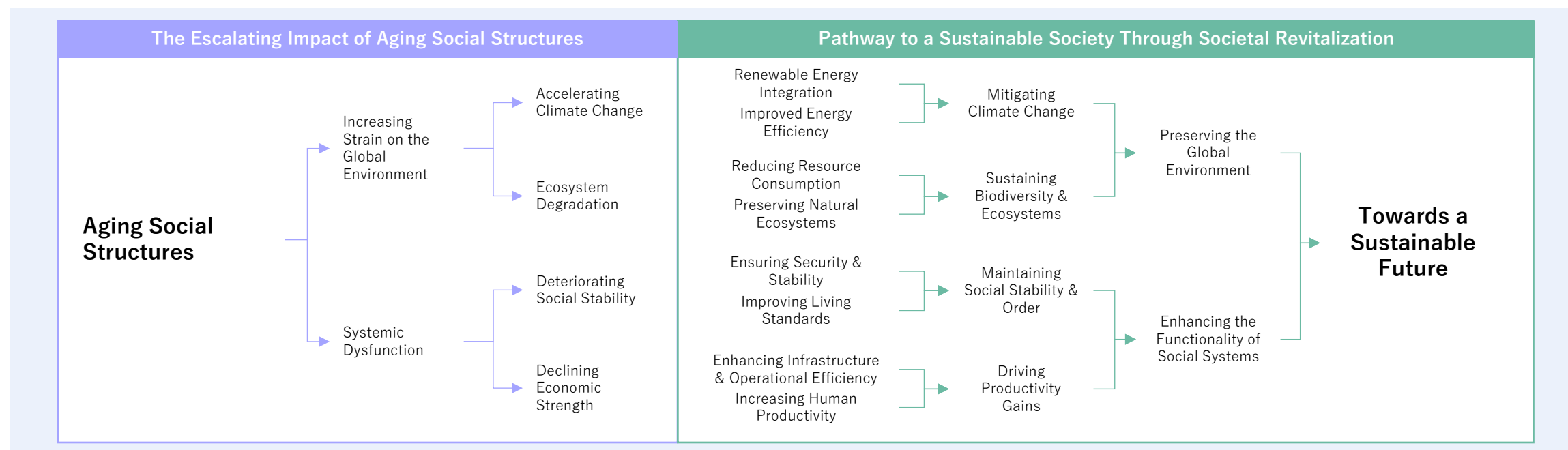
Society today faces mounting challenges, including the accelerating impacts of climate change, deteriorating social order, and economic decline. At the core of these issues lies the aging of social structures - a misalignment between outdated systems and the evolving needs of the modern world.

Examples of this structural stagnation include a continued reliance on fossil fuels and rigid, traditional employment systems that fail to adapt to emerging economic and environmental realities.

The Shortage of Long-Term Capital

Amid these challenges, companies are emerging with solutions - driving the adoption of renewable energy, reimagining work structures, and pioneering more sustainable economic models. However, for these businesses to scale and create meaningful impact, they require both accurate evaluation and a steady flow of long-term capital.

Despite the increasing number of such forward-thinking enterprises, the necessary capital flows remain insufficient. Addressing this gap is essential to accelerating the transition to a more resilient and sustainable society.



Connecting the Investment Chain and Beyond

At CCM, we are committed to “Connecting the Investment Chain” - our mission to facilitate the flow of long-term capital toward companies that drive a more sustainable society.

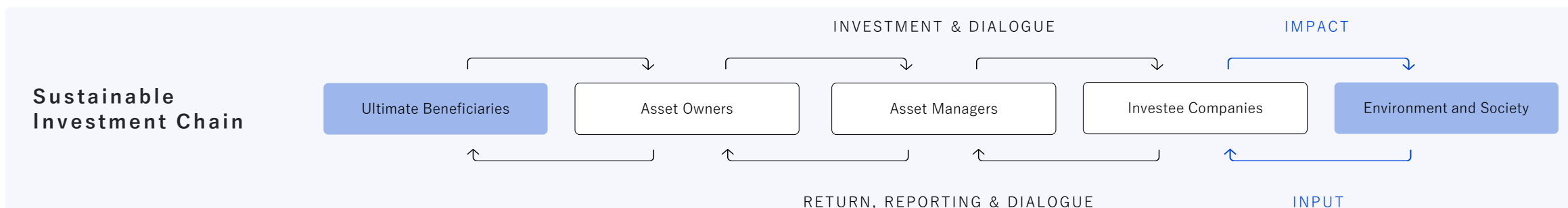
What is the Investment Chain?

The Investment Chain refers to the interconnected relationship between investors and the companies they invest in. The key participants in this chain are asset managers, who select investment targets, and asset owners, who provide the capital (as shown in the diagram below). At its most basic level, this relationship is defined by the exchange of capital - investment in return for financial returns. However, if viewed solely as a transactional flow of money, this dynamic can become a competition over the source of returns. Instead, with the right approach, this connection can transform into a dialogue-driven relationship - one built on engagement, mutual understanding, and shared objectives.

The Ideal Investment Chain

To foster and support companies that contribute to a more sustainable society, we must adopt a broader perspective on the entire Investment Chain - looking beyond the investee companies themselves. A company’s long-term success is strengthened when it creates positive impact for its stakeholders, including employees, customers, suppliers, and even ecosystems. By doing so, businesses reinforce their foundations, enhance their ability to generate value, and contribute to a more resilient economic system.

Ultimately, the role of the Investment Chain is to ensure that the value created reaches each end-beneficiary. This cycle - where sustainability-driven companies grow, generate value, and share the benefits across society - is what we define as the Sustainable Investment Chain, and it represents the future we are helping to build.



CCM's strategy for solving these problems

We take a long-term investment approach to strengthen the Investment Chain. Through sustained dialogue, we help investee companies enhance stakeholder relationships. The diagram on the right illustrates how CCM's activities drive value creation by addressing key societal challenges.

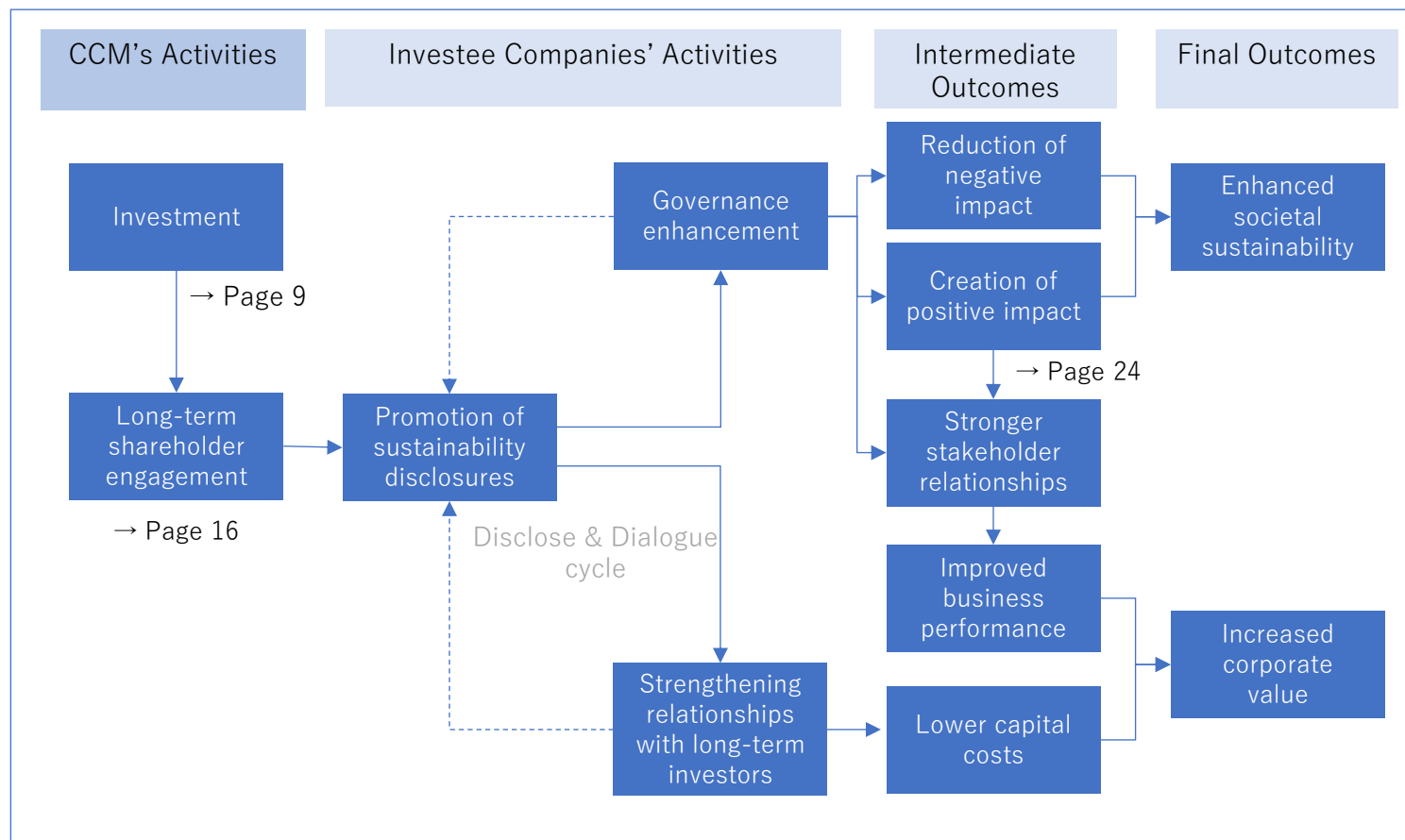
Enhancing Societal Sustainability

A core component of our approach is encouraging companies to improve their sustainability disclosures. Greater transparency in sustainability reporting serves as a catalyst for improved governance and deeper engagement with long-term investors, which in turn fosters further disclosure enhancements. Stronger governance enables better corporate decision-making, leading to both the reduction of negative impacts and the creation of positive impacts. Ultimately, this reinforces the foundation for a more sustainable society.

Increasing Corporate Value

Creating positive impact strengthens stakeholder relationships, improving business performance. Stronger ties with long-term investors also reduce capital costs, driving greater corporate value.

Problem-Solving Logic Model



For an academic view of this logic model, please refer to our Advisor's Perspective box on page 16.

Leverage Points for Addressing Key Challenges

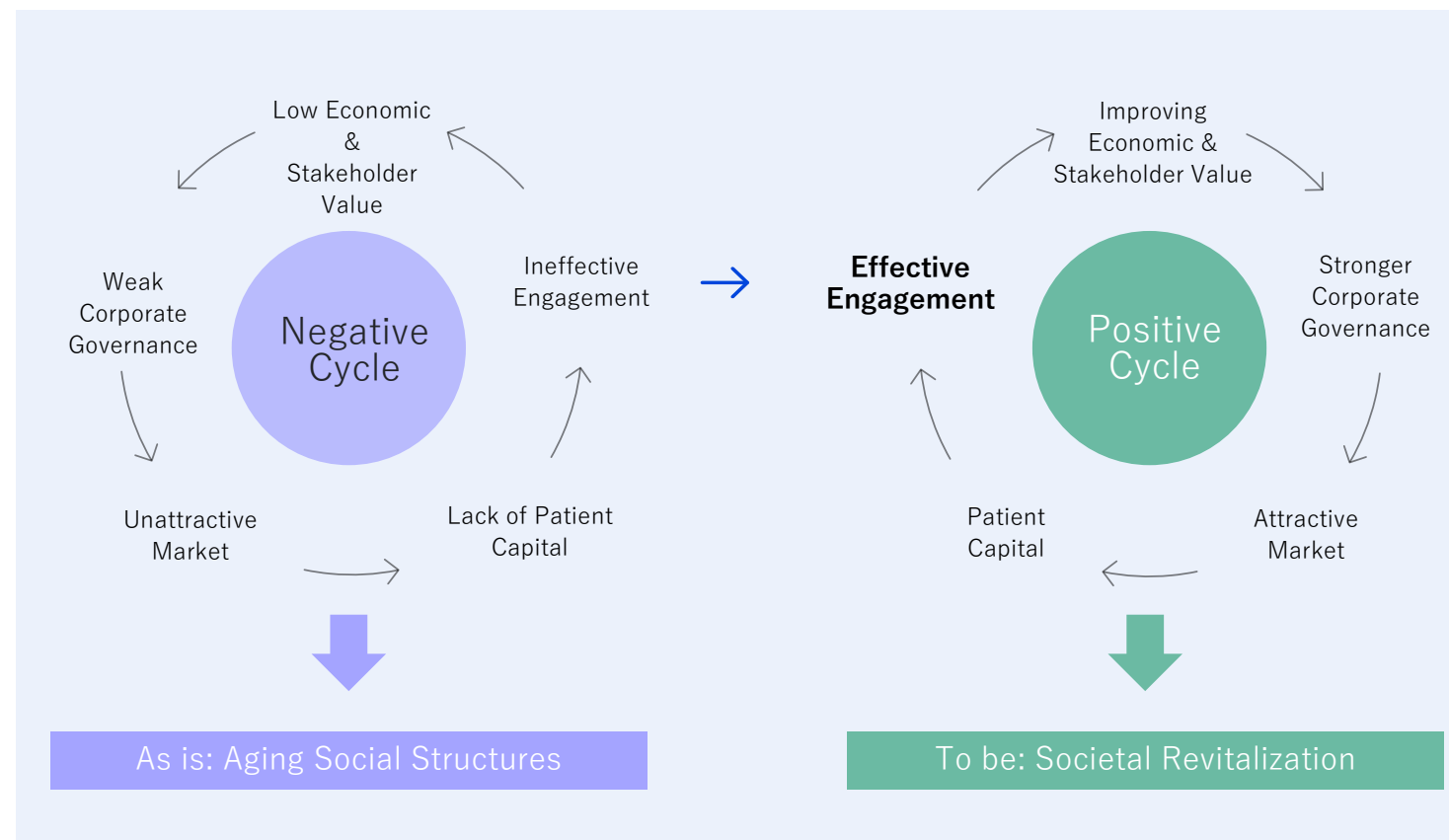
CCM's mission of "Connecting the Investment Chain and Beyond" cannot be achieved alone. It requires the collective effort of the entire capital market.

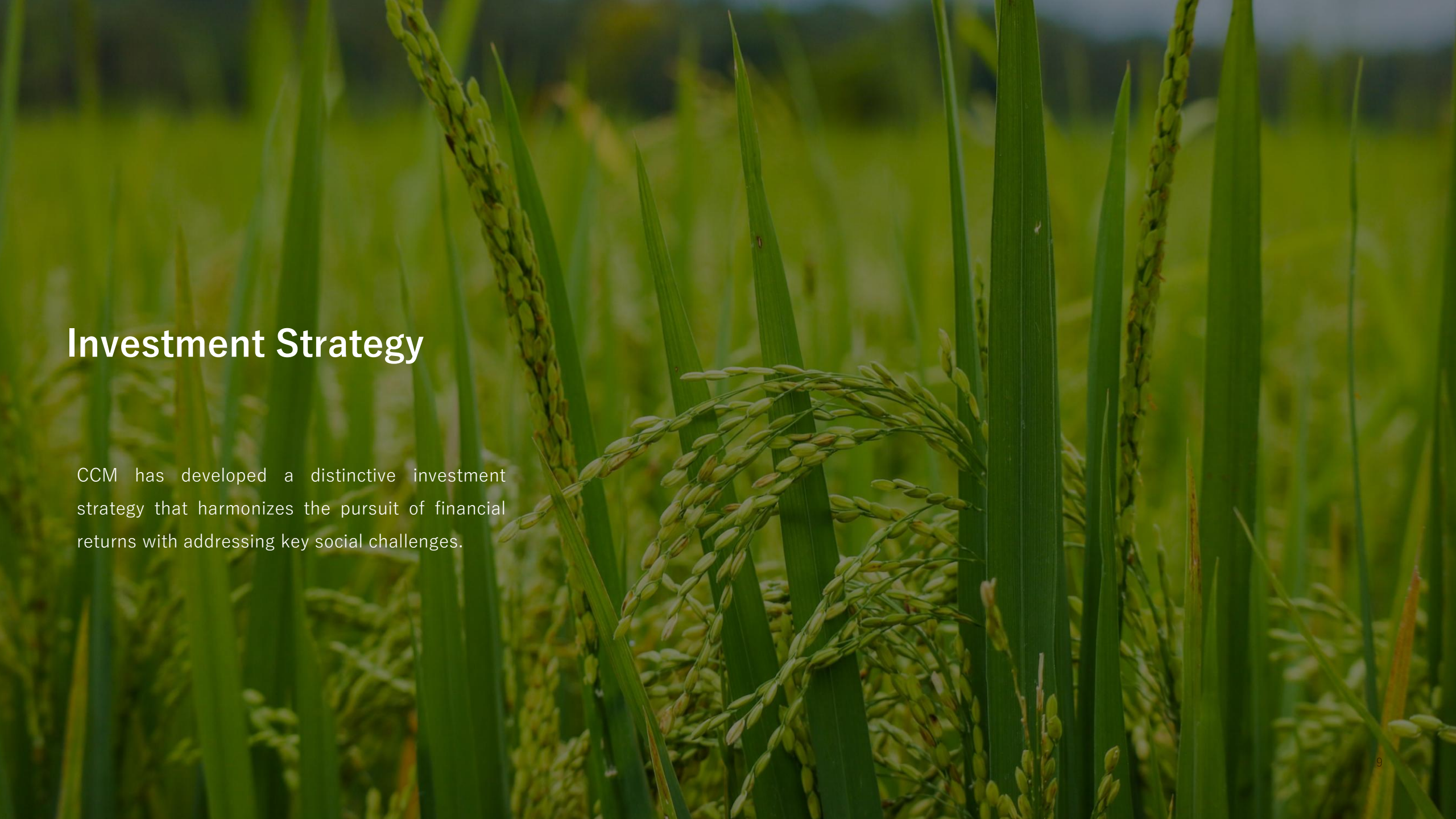
The Negative Cycle in Capital Markets

Traditional investment chains have prioritized short-term gains over the broader impact on stakeholders. This has led to weak stakeholder governance, delays in environmental initiatives, and outdated employment practices that reduce workplace sustainability. As a result, corporate value stagnates, leading to lower valuations, a lack of long-term capital, and ineffective investor engagement - perpetuating a negative cycle.

Effective Engagement for Positive Market Dynamics

When investors engage beyond financial returns, they help strengthen corporate stakeholder governance. This, in turn, drives corporate value, attracts long-term investors, and fosters a positive cycle in capital markets. We believe that such effective engagement is a critical leverage point in addressing pressing global challenges, including climate change, declining productivity, and social instability.





Investment Strategy

CCM has developed a distinctive investment strategy that harmonizes the pursuit of financial returns with addressing key social challenges.

Investment Strategy Overview

Sustainable investment in listed stocks

To balance addressing social issues with generating returns, CCM focuses on sustainable investments in listed equities. This approach involves investing in companies committed to creating a positive societal impact while minimizing the negative effects of their business activities.

Investment Style

We prioritize listed equities because of their potential to drive social change through their scale and accessibility to financial resources. CCM follows a long-only strategy, avoiding derivatives and short selling. Our investments span companies of all sizes, from large corporations to small enterprises. Larger companies can influence society through pioneering initiatives, while smaller firms often introduce innovative solutions with high novelty.

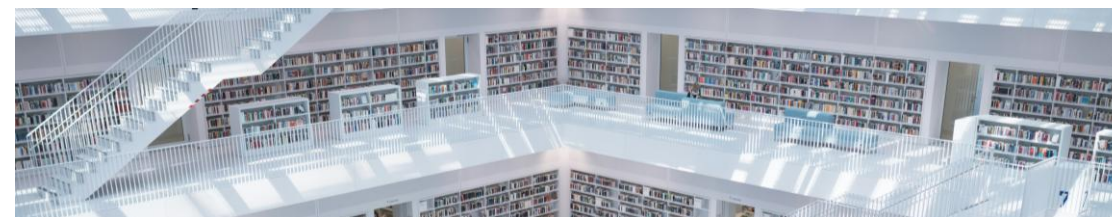
Investment Exclusion Criteria

CCM applies sustainability-based investment exclusions. We avoid companies engaged in businesses that negatively impact the environment or society. These exclusions are not solely for ethical reasons; from an economic perspective, businesses must address environmental and social challenges to mitigate future costs and reputational risks.

Investment decision criteria

CCM prioritizes the following four key factors when making investment decisions, which we will discuss in more detail on the following pages.

- | | |
|---------------|--|
| - Impact | How are you contributing to the world? |
| - Improvement | Are business conditions continuing to improve? |
| - Engagement | Are you willing to work with shareholders? |
| - Valuation | Is there potential value that the market is overlooking? |



CCM Advisor's Perspective: Hidehiro Moriya

"CCM's strengths and distinct qualities can be summarized as follows: (1) a philosophy, character, and openness that attracts and engages people, fostering trust and support; (2) the flexibility and boldness to pursue innovation as an emerging asset manager; (3) strong relationships and members' mid- to long-term perspective, which sustain their motivation while allowing them to enjoy their work."

Investment Philosophy

Investing for sustainability

CCM's investment philosophy is rooted in the idea that "investing for sustainability" leads to superior long-term returns. This belief is supported by three key perspectives: enterprise value, investment opportunities, and engagement impact.

Strong Sustainability Practices Enhance Corporate Value

A company's approach to sustainability significantly influences its long-term corporate value. Businesses impact the environment and society, and in turn, they are affected by these external factors. Positive contributions create beneficial returns, while negative impacts eventually lead to consequences.

Sustainability-Driven Investments Unlock High-Quality Opportunities

By staying ahead of global sustainability trends and integrating new insights into our investment process, we can quickly identify high-quality investment opportunities. Incorporating sustainability factors into fundamental company analysis provides a clearer understanding of a company's true position and strengthens the investment process.

Investor Engagement in Sustainability Drives Corporate Progress

For companies focused on long-term growth, input from sustainability-conscious investors can influence key management decisions. Investor communication - through information sharing, requests, and proposals - provides valuable insights and accountability, driving long-term transformation. While short-term profit-seeking investors may challenge sustainability-driven management strategies, engagement from long-term investors empowers leadership to stay committed to sustainable growth.



CCM Advisor's Perspective: Yuko Koshiba

"CCM serves as a bridge between the social sector and finance, effectively engaging with both. There is a growing awareness of the need to build an industry and appeal to a broad audience. To maximize impact, it is important to clearly define who you want to be and what you aim to achieve."

Investment Target Companies

Sustainable Company

At CCM, we define "sustainable companies" as those that create both economic and stakeholder value, making them ideal investment targets. Economic value is typically measured by, among others, a stable and high return on equity (ROE), while stakeholder value is assessed using the evaluation criteria of Impact Integrated Value (IIV).

An Inclusive Approach

We also invest in "improvers" - companies actively progressing toward sustainability. We believe that limiting

investments to only top-tier sustainable companies could reinforce disparities, as only a select few would experience growth. Instead, we include companies on the path to improvement, aiming to elevate the overall market through an inclusive and forward-looking investment strategy. Moreover, since sustainable companies often command higher stock prices, restricting investments solely to them may limit investment-returns at fair valuations. By incorporating improvers into our investment strategy, we enhance rational decision-making while identifying potential growth opportunities.

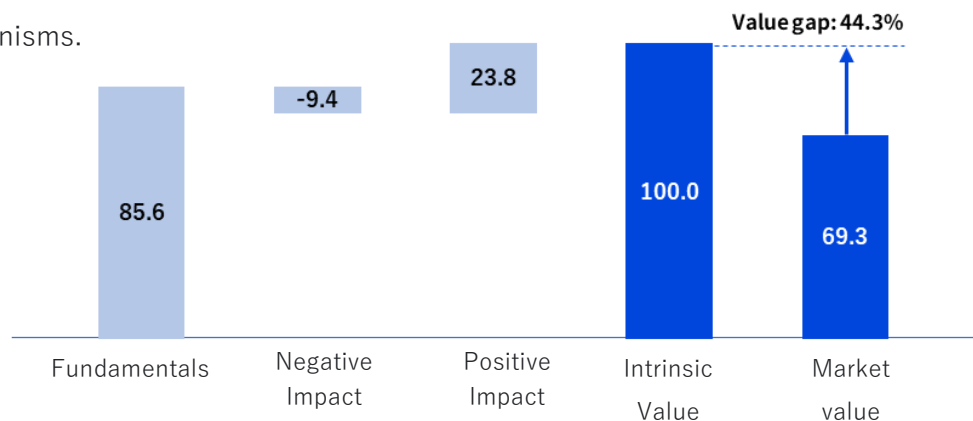


Impact Integrated Value: incorporating impact into corporate value

Impact Integrated Value

CCM has developed a proprietary methodology called Impact Integrated Value (IIV) to incorporate impact into corporate value and integrate it into the investment process. This approach adjusts corporate value by factoring in both positive and negative impacts alongside traditional fundamental analysis. Our proprietary algorithm evaluates companies based on this method, providing a more comprehensive assessment of their value.

By embedding impact factors into corporate valuation through IIV, investment decisions can become more impact-driven. If more investors adopt similar methodologies, companies generating positive impacts will be more highly valued in the market. In turn, this visibility would encourage corporate leaders to prioritize impactful initiatives, reinforcing sustainable business practices through market mechanisms.

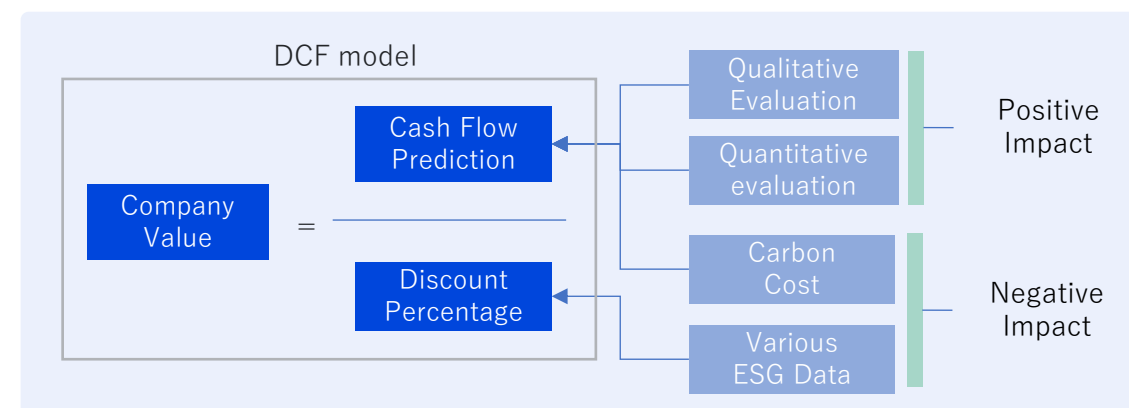


Note: simple average of portfolio-level valuations as of 31/12/2024

IIV Calculation Logic

The IIV model is based on the discounted cash flow (DCF) model enhanced with CCM's proprietary modifications. Specifically, we adjust future cash flow projections to reflect both positive impacts and the potential costs of greenhouse gas emissions. Additionally, we incorporate various negative impact factors, including Principle Adverse Impacts*, into the discount rate estimation.

To integrate positive impacts into cash flow forecasts, we apply a unique scoring system to assess impact quality and incorporate it into growth period projections. This approach is grounded in our hypothesis: "If a company effectively addresses relevant social issues, its growth period will be extended." Since incorporating positive impact factors into financial forecasts is a relatively new initiative, we continue to refine our model through ongoing testing and validation.



*Principal Adverse Impacts (PAIs) are the negative effects of investments on environmental, social, and governance (ESG) factors, such as pollution, human rights violations, or poor labor practices.

Impact Integrated Value: the logic behind future predictions

Sustainable Equilibrium

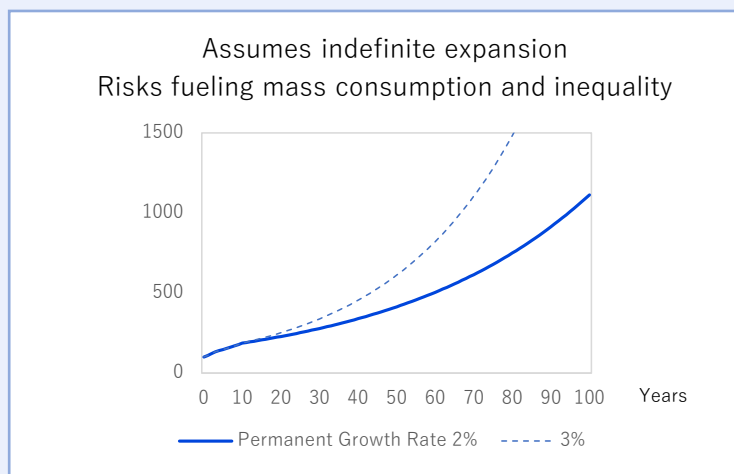
With our IIV, our approach to future projections differs from the conventional "perpetual growth model" used in DCF analysis. Instead, we adopt a unique concept called "sustainable equilibrium." This model assumes that growth reaches an equilibrium point at a certain stage, after which it stabilizes at zero growth. By adjusting the duration of the growth period based on positive impact, we ensure that companies generating high-quality impact are appropriately valued.

We deliberately avoid the widely accepted perpetual growth model because it contradicts the reality of finite resources. Moreover, expecting high perpetual growth

from individual companies fosters a "winner-takes-all" dynamic, ultimately leading to severe economic disparities.

The concept of sustainable equilibrium acknowledges the impracticality of perpetual growth and underscores the importance of long-term development through collaborative relationships with stakeholders. As the saying goes, "If you want to go fast, go alone. If you want to go far, go together." Our pursuit of sustainable equilibrium is rooted in the belief that true progress is achieved by finding a way for everyone to move forward together.

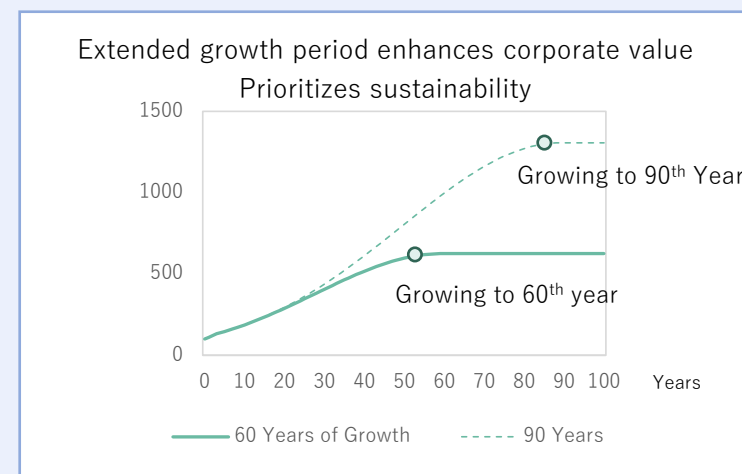
Standard Long-Term Cash Flow Projection (Perpetual Growth)



Adjusting the DCF
model for
Sustainable Growth



IIV's Long-Term Cash Flow Projection (Sustainable Equilibrium)



Engagement

CCM aims to support investee companies in addressing social challenges while achieving sustainable mid-to-long-term growth, allowing us to collectively benefit from the resulting increase in corporate value.



Our Engagement Activities

Key Features of Our Engagement Approach

At CCM, we engage investee companies with the goal of enhancing both stakeholder value and economic value. A defining characteristic of our approach is centering sustainability-related topics in our dialogue. We believe that integrating sustainability initiatives strengthens corporate governance, mitigates negative impacts, and generates positive impacts (causal ①). As a result, these efforts contribute to greater stakeholder value (③). Investor interest in emerging areas such as impact investing encourages companies to raise their awareness and act.

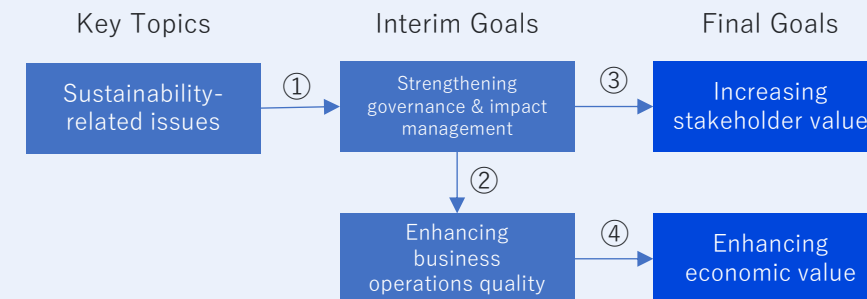
Pathways to Enhancing Economic Value

Strengthening governance and impact initiatives enhances stakeholder satisfaction - including employees, business partners, customers, and shareholders - by reinforcing internal branding and improving risk management (see Advisor's Perspective box). These efforts ultimately elevate the quality of business operations (②). While the initial phase may involve increased costs, the long-term outcome is improved economic value through enhanced profitability and capital efficiency (④).

Contributions as a Public Equity Investor

Unlike startups seeking capital through equity issuance, many listed companies are in a phase where they reinvest profits generated from their businesses. Therefore, our engagement focuses on capital allocation discussions. While shareholder returns remain important, we emphasize ensuring that capital is also allocated to high-impact activities that contribute to solving social challenges. At CCM, we believe this is the primary pathway for public equity investors to drive meaningful impact.

Objectives of Sustainability-Focused Dialogue



CCM Advisor's Perspective: Souhei Ishida

Academic Insights on the Logic Model for Problem-Solving

Academic research supports the effectiveness of encouraging sustainability-related disclosures. When companies disclose sustainability information, their sustainability initiatives become more transparent, incentivizing further engagement (Fiechter, 2022). Additionally, such disclosures not only increase corporate recognition but also expand the investor base (Merton, 1987). A study by Barko (2022) using proprietary data from a major European asset management firm found that: 1) Engagements focused on promoting sustainability disclosures had a higher success rate. 2) Financial performance of investee companies improved. 3) Sustainability initiatives became more proactive. 4) As a result, corporate value increased.

Engagement Process

Engagement Process

At CCM, we collaborate with investee companies to explore ways to align sustainable societal development with long-term corporate value creation. Our engagement is primarily conducted through one-on-one meetings, where we adopt a coaching-based approach. We establish a constructive dialogue by outlining our engagement principles, identifying corporate challenges, asking open-ended questions, and concluding with feedback. To further understand corporate needs, we conduct post-dialogue surveys.

Escalation Measures

If a company seeks broader engagement, we facilitate collaborative discussions with experts in sustainable and impact investing, offering invaluable insights and networking opportunities.

Should an investee company's fundamentals or engagement approach diverge from our expectations, we request corrective action. If our concerns remain unaddressed over a set period, we consider divestment.

Our Engagement Advantage

Our focus on linking sustainability initiatives with corporate value creation aligns with the needs of investee companies, making our engagements highly valuable.

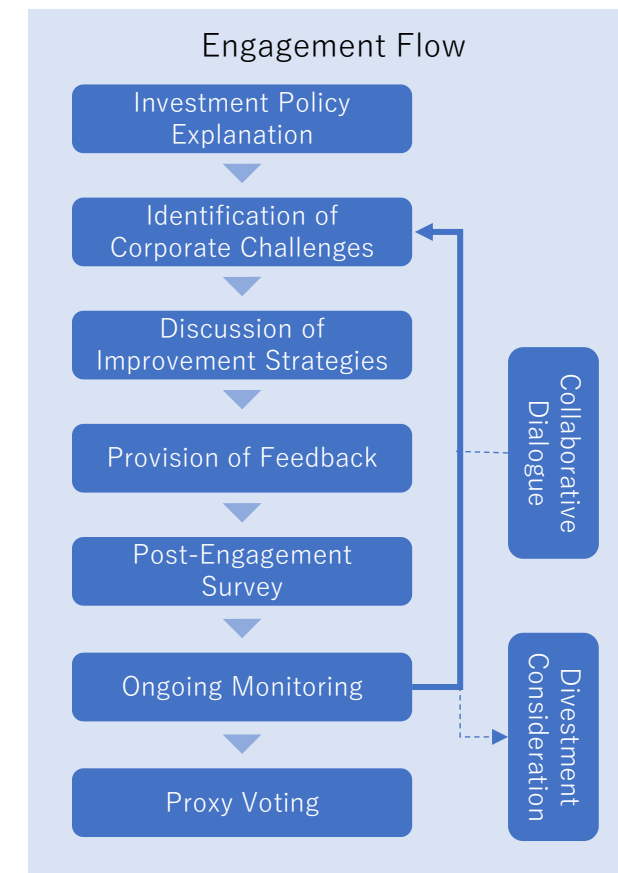
We leverage sustainability expertise gained through dialogue with European investors and the domestic impact investment community. Additionally, we use IIV corporate value assessments to demonstrate the link between sustainability initiatives and corporate performance.

Proxy Voting

Our investment team exercises voting rights on all shareholder proposals based on independent assessments. While we generally support management decisions aligned with our investment rationale, we oppose actions that conflict with the interests of stakeholders, including shareholders.

Proxy voting results are publicly available:

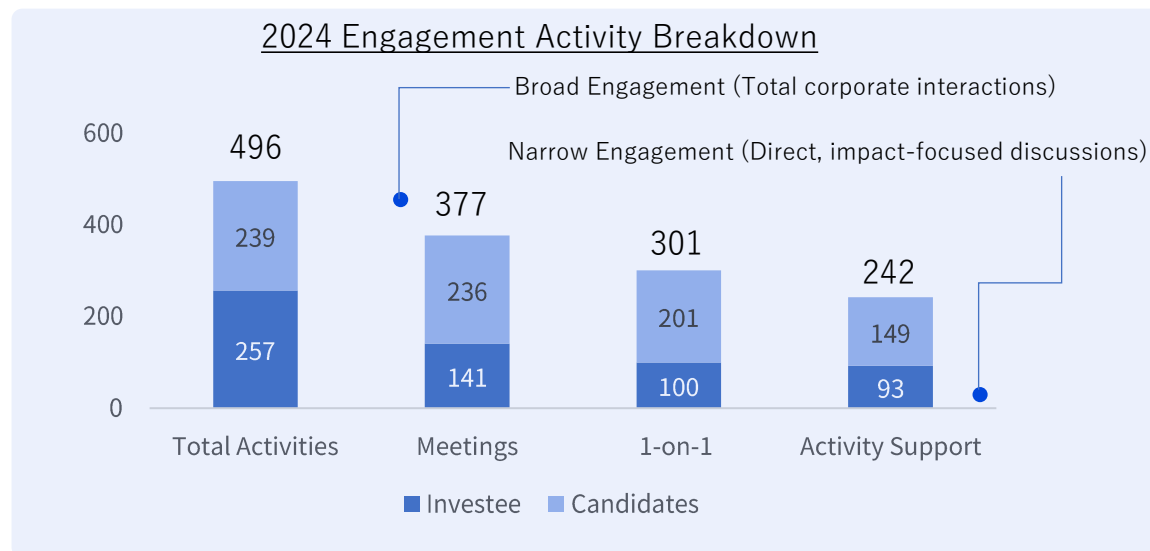
<https://cadiracm.com/policy07>



Engagement Activity

Number of Engagement Activities

The total number of engagements conducted in 2024 is summarized in the graph below. In total, we conducted 496 corporate research activities, of which 377 were meetings, including briefings and discussions (*broad engagement*). The difference between total activities and meetings reflects document reviews and analysis of corporate disclosures. Among the 377 meetings, 141 were held with investee companies, while the remaining discussions involved potential investment candidates. Of the 141 meetings with investee companies, 100 were exclusive one-on-one sessions, with 93 of them specifically aimed at supporting corporate initiatives (*narrow engagement*).

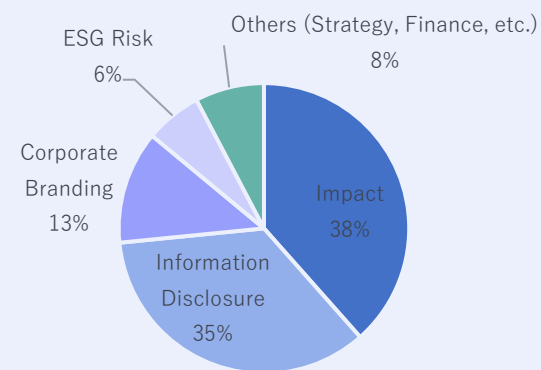


Engagement Topics

Within the 93 narrow engagement meetings, a total of 141 topics were discussed, averaging 1.5 topics per meeting.

The breakdown of engagement topics is illustrated in the pie chart below. The most frequently discussed theme was impact, reflecting our proactive dialogue with companies on impact-driven business initiatives and the establishment of impact KPIs. Additionally, some companies sought our feedback on materiality assessments, demonstrating a shared commitment between CCM and investee companies toward impact-driven strategies.

Breakdown of Engagement Topics



Breakdown of 93 Narrow Engagement Topics

CCM's Advisor's Perspective: Mizuki Awano

"CCM has successfully built strong relationships with companies. Many firms note that few asset managers engage in serious discussions about sustainability, making their supportive approach particularly valuable. The firm's transparency in publicly disclosing engagement activities (page 30) enhances the credibility and effectiveness of engagement. Moving forward, deeper exploration of methods to further optimize the engagement process will be beneficial."

Engagement Outcomes (Corporate Developments)

Engagement Results

CCM employs a proprietary scoring system to monitor the sustainability efforts of investee companies, including governance and impact management. This system assigns a score out of 100, derived from various data points collected during corporate valuation assessments using our IIV tool (page 13). These scores serve as valuable reference points during engagement activities.

The table on the right presents the average score changes for 30 investee companies for which year-over-year data was available (Dec 2023 vs. Dec 2024). Over the past year, the average score improved by 7.5%. This improvement is attributed to enhanced corporate responses, increased disclosure, and improved data collection accuracy.

Additionally, the table provides valuation metrics such as PBR, PER, and ROE for these 30 companies. Comparisons with the Tokyo Stock Exchange (TSE) Prime Market indicate that these companies have demonstrated a higher rate of improvement across valuation metrics.

Self-assessment of Outcomes

While the data presents positive trends, it would be premature to definitively conclude that engagement activities have directly influenced stock valuations. To derive more conclusive insights, further analysis is required to account for time lags between engagement and performance impact, as well as external market factors. CCM remains committed to refining its analytical methodologies to enhance the depth and accuracy of its engagement impact assessments.

	2023.12	2024.12	Change
Sustainability Score	46.5	50.0	+7.5%
• Governance	63.3	64.5	+1.9%
• Negative Impact Management	41.0	45.0	+9.6%
• Positive Impact Management	40.8	45.2	+10.7%
Price-to-Book Ratio (PBR)	2.03x	2.30x	+13.2%
TSE Prime Market Average	1.35x	1.38x	+1.9%
Price-to-Earnings Ratio (PER)	17.3x	18.0x	+4.3%
TSE Prime Market Average	17.1x	17.0x	-0.8%
Return-on-Equity (ROE)	10.9%	11.7%	+6.7%
TSE Prime Market Average	7.9%	8.1%	+2.7%

The positive impact management score is calculated as the average of both quantitative and qualitative evaluations.

TSE Prime Market data was sourced from the Japan Exchange Group and calculated by CCM.

Survey Results

Purpose of the Survey

CCM conducts surveys with company representatives following IR meetings with investee companies. The primary goal is to assess whether these meetings were beneficial to the companies and to enhance our engagement practices. Additionally, by prompting companies to reflect on the discussions, we aim to reinforce key takeaways and encourage managerial change in corporate strategies.

Survey results are aggregated on a quarterly basis and shared with the companies we engaged with. This serves to provide insights into industry trends, allowing companies to benchmark their own engagement practices and derive actionable insights for improvement.

Survey Results

Survey responses indicate that most participants felt they were able to engage in meaningful discussions during meetings with CCM. Key topics that were considered most valuable included mid-to-long-term strategy and sustainability, reflecting the importance of these discussions for corporate decision-making. Several respondents noted that CCM's engagement played a crucial role in shaping their strategic planning and described CCM as a distinctive presence in an investment landscape often dominated by short-term-oriented investors.

Additionally, the survey includes questions regarding future engagement representatives, allowing CCM to assess each company's IR stance and refine its next action plans.

Distribution of Survey Results

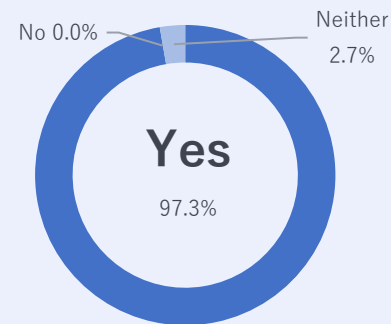
# of Companies	189
Aggregate Market Capitalization	\$2.17 trillion

Survey period: October–December 2024

Market capitalization: as of December 2024

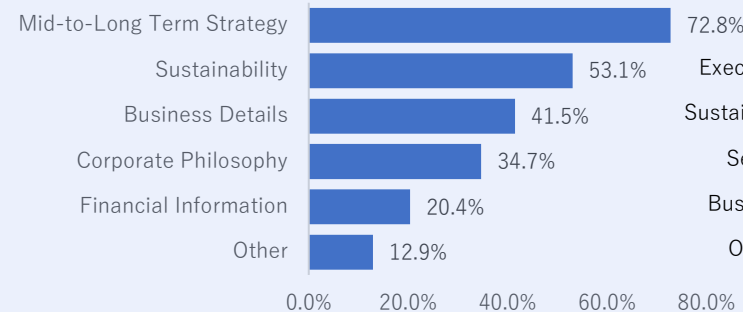
JPYUSD = 151.49

Were Key Discussion Topics Addressed?



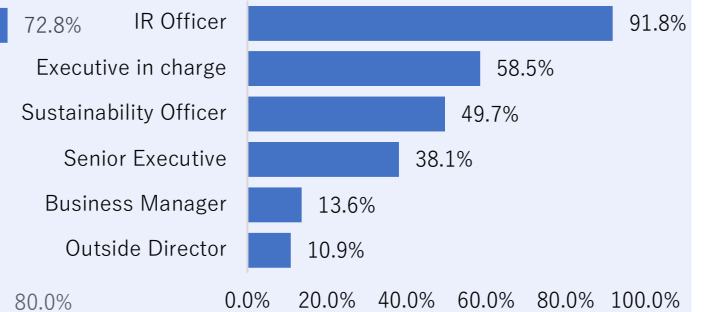
Total responses: 147 companies

Most Valuable Topics Discussed



147 Companies; 346 Responses

Future Engagement Representatives



147 Companies; 386 Responses

Survey Results (Responses to Thematic Questions)

Quarterly Thematic Questions

At CCM, we conduct quarterly surveys with corporate respondents, focusing on specific themes each quarter. While each theme garners approximately 30 to 40 responses, this structured approach allows us to capture timely insights into emerging trends.

These surveys are conducted with companies we have engaged with, including both portfolio companies and potential investment candidates. Detailed analyses of the survey results are available on our website via the links provided below in each box.

Implementation of Positive Impact Measurement and Management

71%

In response to the question, "Do you conduct impact management?" **71%** of surveyed companies reported implementing some form of impact measurement, such as materiality assessment, KPI tracking, or revenue ratio disclosure. This trend reflects the growing emphasis on impact-driven strategies among Japanese corporations, supported by government initiatives.

Conducted 2024 Q1: 41 Respondents Details: <https://cadiracm.com/news/c4AYBJkB>

Challenges Identified in SASB Industry Classification Tool

45%

The SASB* assigns disclosure standards based on its proprietary industry classification system, SICS*. Companies can use the SICS Look-Up Tool for relevant disclosure guidance. However, **45%** of respondents reported concerns regarding the accuracy of their industry classification, highlighting the need for tool enhancements and improved corporate understanding.

Conducted 2024 Q2: 49 Respondents Details: <https://cadiracm.com/news/NKqaQ4UJ>

Latest Wage Increase Rate (Average Among Responding Companies)

4.6%

61% of surveyed companies provided specific data on wage increases, with an average reported increase of **4.6%**. Additionally, several companies mentioned ongoing reviews of their HR policies, reflecting a heightened awareness on human capital investment.

Conducted 2024 Q3: 26 Respondents Details: <https://cadiracm.com/news/XZXtofDO>

Average Growth Rate of Employee Training Over the Past Two Years

28%

When asked about employee training investment, 32% of respondents provided time-series data on changes in training hours or expenditures. The average growth rate over the past two years was **28%**, indicating an increased allocation of corporate resources toward human capital development.

Conducted 2024 Q4: 31 Respondents Details: https://cadiracm.com/news/l_wDByji

- SASB: Sustainability Accounting Standards Board
- SICS: Sustainability Industry Classification System

Engagement with Capital Markets

At CCM, we actively collaborate with a wide range of investment chain participants, including asset owners, asset managers, and various service providers, in addition to our portfolio companies.

Market Dialogue Centered on Impact-Integrated Value

In 2024, we leveraged insights gained from the development and application of our proprietary Impact-Integrated Value (IIV) framework to foster discussions on the relationship between impact and corporate value. Through our website and seminars, we actively disseminated information, contributing to the growing capital market discourse on the connectivity between financial and non-financial factors.

As more long-term investors incorporate impact considerations into their corporate valuation processes, the entire investment chain will shift towards a more impact-driven approach. Our proactive efforts in promoting IIV stem from our ambition to act as a catalyst for systemic change within the market.

The perception of impact varies depending on individual values. Rather than imposing uniform adjustments to financial metrics, we believe that impact aligns more effectively with market mechanisms, where aggregated perspectives drive price formation. By expanding the adoption of IIV, we aim to enable market prices to reflect diverse value systems, making impact valuation more transparent through collective intelligence.

Speaking Engagements at External Events

In 2024, CCM participated in 15 external speaking engagements, primarily at events organized by initiatives in which we actively participate, such as the Impact Consortium, the Impact-Driven Finance Initiative (IDFI), and the Social Impact Management Initiative (SIMI). Participants responded positively to CCM's practical approach to impact visualization, highlighting how we integrate it into engagements with portfolio companies rather than limiting it to theoretical discussions.



Engagement with Asset Owners

Institutional Client Focus

CCM serves an institutional-only client base, thoughtfully built since inception to include long-term investors who share our commitment to active ownership and impact investing in Japan. Our Impact Integrated Value model operates on a long-term investment horizon, ensuring alignment with our clients' interests.

Since our launch in early 2024, our assets under management (AUM) have grown steadily. This growth stems from new clients and increased commitments from early investors, reflecting confidence in our approach. While market fluctuations and institutional investor flows impact our business, we remain focused on diversifying our client base and asset mix.

CCM's Investor Perspective

"We want to generate high returns for our clients, but we don't want to do that by using funds that don't take their stewardship responsibilities seriously. We think Cadira are one of the few options that are first class at both, which is why they form an important part of our portfolio."

Simon Evan-Cook

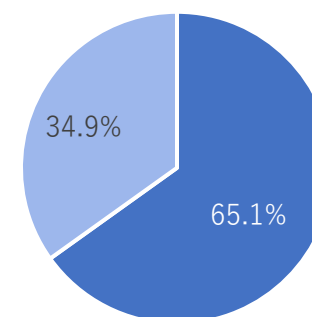
Fund Manager, Downing

Regular Reporting and Engagement

Transparency is central to our mission. We maintain ongoing communication with clients, fostering continuous learning and reducing turnover. We provide monthly reports covering engagement activity, performance drivers, and market outlook. Our engagement case studies outline company histories, our stewardship activities, and targeted outcomes. Additionally, we ensure full transparency through publicly available voting reports.

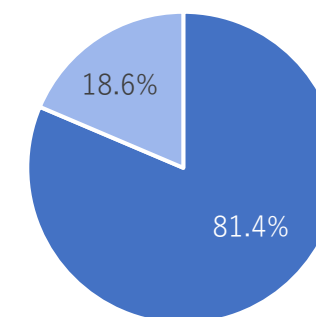
In collaboration with our distribution partner, we prioritize regular client engagement. Our CIO and firm partners conduct in-person and virtual meetings to share insights and gather feedback. In 2024, we had 43 meetings in total with clients and prospects.

Meeting Type



■ In-Person ■ Virtual

Client Type



■ Prospect ■ Client

Impact

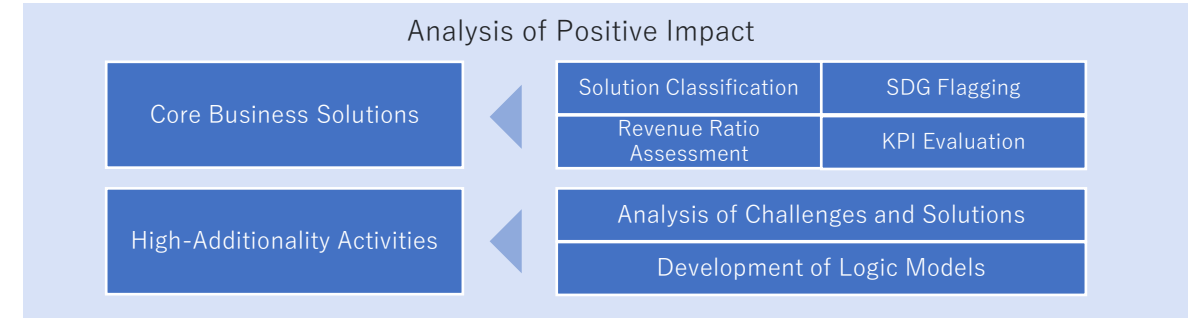
CCM evaluates and manages the impact generated by its portfolio companies to assess whether social challenges are being effectively addressed.

Purpose of Measuring and Managing Impact

At CCM, we engage in Impact Management & Measurement (IMM) to understand how our investment activities ultimately impact society. Our approach begins with developing IMM methodologies suited for listed equity investments. Unlike accounting standards, IMM lacks a unified framework. Additionally, many IMM methodologies were originally designed for policymaking and nonprofit evaluations, requiring adaptations to assess investment activities effectively. By developing IMM methodologies tailored to listed equity investments and sharing our insights within the industry, we aim to enhance impact-consciousness across the investment chain.

IMM Methodology

Our IMM approach focuses on solutions that generate positive impact. We categorize the core business solutions of investee companies based on our proprietary criteria and flag them according to the 17 SDGs and 169 sub-targets, assigning one flag per company. We then assess revenue ratios and key performance indicators (KPIs). Additionally, we identify areas within corporate activities that demonstrate high additionality (i.e. significant incremental contributions to impact) and analyze the structural factors of the social issues these solutions address, their concrete effects, as well as the measures taken to resolve them. We also evaluate the uniqueness and competitive advantages of the companies in implementing these solutions and develop logic models accordingly. These processes are incorporated into the IIV measurement tool (page 13) to calculate corporate value.



CCM's Solution and Outcome Classification

Solution Classification	Outcome Classification		
	Sub-category	Mid-level Category	Major Category
New Energy Sources	Energy Transition	Climate Change Mitigation	Environmental Conservation
Energy Efficiency Enhancement Equipment	Improvement of Energy Efficiency		
Resource Recycling Systems	Resource Consumption Reduction	Ecosystem Preservation	
Ecosystem Management	Preservation of Natural Ecosystems		
Disaster Prevention, Mitigation & Compensation*	Enhancement of Safety and Security	Social Order Maintenance	Improving the attractiveness of society
Medical & Welfare Systems			
Affordable, High-Quality Daily Essentials	Improvement of Quality of Life		
Solutions for Everyday Inconveniences			
Automation Equipment for Production Efficiency	Optimization of Facility Productivity	Productivity Improvement	
Office Automation Systems			
Talent Recruitment & Development Services	Enhancement of Human Productivity		
Employee-Friendly Workspaces			

* "Disaster Prevention, Mitigation & Compensation" is also linked to "Environmental Conservation" as part of efforts to reduce the physical risks of climate change.

Impact Revenue

Revenue Ratio of Impact-Related Businesses

CCM assesses the revenue ratio of impact-related businesses within its portfolio companies. This ratio serves as an indicator of how integral the impact-related business is within the company. As of 2024, the weighted average revenue ratio for impact-driven core businesses across our portfolio was 71%. The methodology for identifying businesses included in this calculation is based on CCM's solution classification framework and their contribution to the SDGs (page 27). To enhance accuracy, we reference external data and AI-driven industry-solution mapping. We do not currently set a revenue threshold for investment decisions but are considering clearer standards. We also aim to refine our revenue identification processes.

Evaluation of Businesses with Low Revenue Ratios

Beyond core businesses, we also conduct in-depth analysis of activities that play a crucial role in addressing social challenges, even if their revenue ratio is low. For example, Sumitomo Forestry derives approximately 50% of its revenue from its international housing business, addressing the issue of housing shortages. However, it also operates a forest management business that contributes to environmental conservation. Although this business accounts for less than 2% of total revenue, its significance extends beyond its revenue contribution, as it supports the sustainability of the housing business supply chain. For such social impact-driven activities, we place particular emphasis on additionality when evaluating their importance.

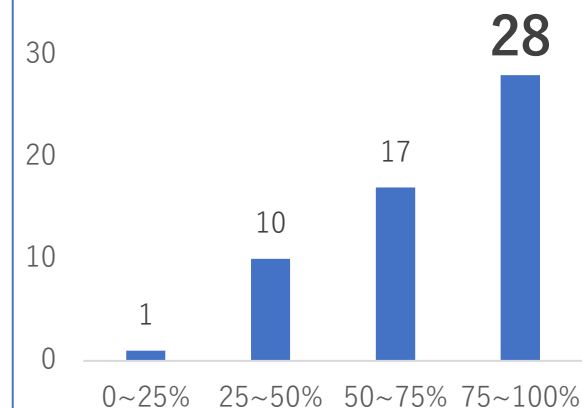
Our Approach to Additionality

CCM applies a flexible approach when assessing additionality in core businesses. While the continuous and stable provision of essential products and services creates a positive societal impact, it does not always exhibit high additionality. For instance, utilities such as water, energy, and telecommunications are deeply embedded in society, and even a brief disruption would cause significant societal disruption. Despite their low additionality, companies ensuring the stability and reliability of such essential infrastructure provide a substantial positive impact on society.

Portfolio Impact Sales Ratio

71%

Distribution of companies by impact sales ratio in the portfolio



Source: CCM based on data as of December 2024

Distribution of Solutions and SDGs

Portfolio Weight Distribution

This table presents the weight distribution of solution classifications and SDGs within our portfolio. This serves as a reflection of our investment actions and a tool for assessing our understanding of key societal challenges. As of December 2024, the portfolio showed a higher allocation to solutions related to quality-of-life improvements. This trend aligns with our recognition that, amid inflation and social inequality, enhancing the quality-of-life for the public holds growing social significance.

Reason for Not Setting Weight Targets

CCM does not predefine weight targets when constructing its portfolio. Investment decisions consider fundamentals, valuation, and other key factors, and setting weight targets would overly complicate and constrain this process. Additionally, portfolio weights fluctuate daily due to stock price movements. Predefined targets would necessitate frequent trading to maintain allocations, creating further challenges.

	Portfolio		SDGs							
	#	Weight	3. Good Health and Well-being	4. Quality Education	7. Affordable and Clean Energy	8. Decent Work and Economic Growth	9. Industry, Innovation, and Infrastructure	11. Sustainable Cities and Communities	12. Responsible Consumption and Production	13. Climate Action
Total Portfolio	56	97.9%	10.6%	4.6%	5.8%	17.9%	18.0%	31.3%	7.6%	2.0%
New Energy Sources	0	0.0%								
Energy Efficiency Enhancement Equipment	10	17.6%			5.8%		10.5%		1.3%	
Resource Recycling Systems	2	1.8%					1.3%	0.6%		
Ecosystem Management	0	0.0%								
Disaster Prevention, Mitigation & Compensation	6	11.1%						9.1%		2.0%
Medical and Welfare Systems	4	7.1%	6.6%					0.6%		
Affordable, High-Quality Daily Essentials	8	19.2%	3.1%	0.3%				10.4%	5.5%	
Solutions for Everyday Inconveniences	12	18.5%	0.1%			3.5%	4.8%	9.3%	0.8%	
Automation Equipment for Production Efficiency	1	1.4%						1.4%		
Office Automation Systems	3	2.9%				2.3%	0.6%			
Talent Recruitment & Development Services	6	10.1%	0.8%	4.4%		4.9%				
Employee-Friendly Workspaces	4	8.1%				7.2%	0.9%			

Solutions: CCM's unique solution classification. See page 25 for relationship with outcomes.

SDGs: one goal per company

Cash weight: 2.1%

Source: CCM, as of December 2024

Impact KPIs

Management of Impact KPIs

CCM records and manages impact-related KPIs during due diligence. The table on the right presents a selection of portfolio impact KPIs in a clear, accessible format.

KPI Collection Methodology

Unlike financial data, impact KPIs are not standardized, and disclosure varies by company. We first identify relevant data from publicly available corporate disclosures. If key data points are not explicitly stated, we collect information through direct inquiries or estimations. Impact data is categorized into outputs (*actions taken*) and outcomes (*results achieved*). While outcome-based data is preferred for measuring impact, many companies do not disclose it due to measurement challenges. In such cases, we track output data that can reasonably indicate impact. Ideally, both targets and actual performance should be disclosed, but some companies only report one. When disclosures are incomplete, we engage with companies to encourage transparency.

Challenges to KPI Management

Impact KPIs are essential for assessing contributions to social issues, but comparability is difficult due to variations in definitions. Careful scrutiny is needed when aggregating data.

Additionally, investment decisions should not be overly influenced by data availability, ensuring critical challenges and financial returns remain a priority.

Portfolio Impact KPIs

Impact Metric	KPI Data		Sample Portfolio Holdings	Solution Classification
	Aggregated Corporate Data	Per JPY 100 million investment		
GHG Emissions Reduction Contribution	234 mln tons	509 tons	Hitachi	Energy Efficiency Enhancement Equipment
Water Conservation Contribution	111 mln m ³	222 m ³	Kurita Water	Resource Recycling Systems
Provision of Basic Healthcare	3,325 mln ppl	5,561 ppl	Sysmex	Medical and Welfare Systems
Employment Support for Individuals Facing Barriers	6,900 mln ppl	1.4 ppl	Recruit Holdings	Talent Recruitment & Development Services
Extension of Healthy Life Expectancy	940 mln ppl	880 ppl	Ajinomoto	Affordable, High-Quality Daily Essentials
Cumulative Support for Instrumental Music Education	3.02 mln ppl	1.4 ppl	Yamaha Corp	Affordable, High-Quality Daily Essentials
Annual Housing Turnover Rate	7,169 houses	0.14 houses	Katitas	Affordable, High-Quality Daily Essentials
Cumulative Support for Bridging the Digital Divide	11.8 mln ppl	2.6 ppl	KDDI	Solutions for Everyday Inconveniences

KPI figures are calculated by CCM based on the latest disclosure data of investee companies as of December 2024.

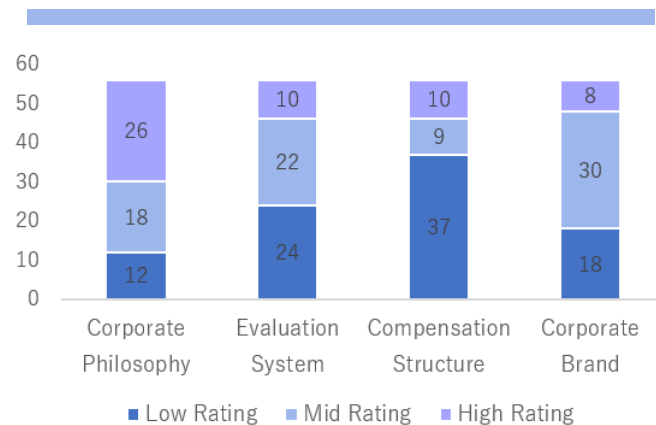
Evaluation Method for Connecting Impact to Corporate Value

Qualitative Assessment of Impact

At CCM, we integrate impact assessment into corporate value measurement by evaluating both a company's impact management framework and the quality of its impact outcomes. Instead of converting impact KPI data into monetary values—often challenging due to the lack of standardized pricing—we conduct a qualitative assessment. This approach allows us to reflect a company's impact in our estimation model by adjusting the projected growth period, ensuring a more accurate and forward-looking view of corporate value creation.

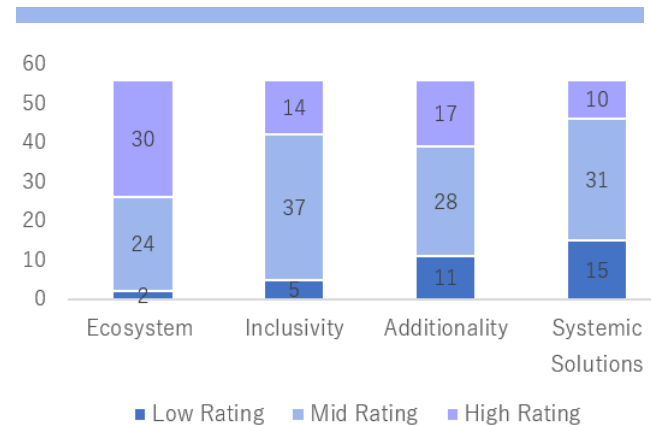
For standardized indicators with established market prices, such as greenhouse gas emissions, direct adjustments to cash flow can be made. However, most impact indicators lack standardization, making monetary valuation complex and challenging. Our analysts conduct company-specific evaluations based on predefined criteria, applying qualitative judgments accordingly. Given the current reliance on individual expertise, establishing objective benchmarks to enhance consistency remains a key mid- to long-term priority.

Evaluation of Impact Management Framework



Source: CCM based on data as of December 2024

Assessment of Impact Quality



Detailed Evaluation Criteria

Corporate Philosophy	Alignment between corporate philosophy and business activities
Evaluation System	Establishment of a structured sustainability evaluation framework
Compensation Structure	Integration of non-financial metrics into performance evaluations
Corporate Brand	Contribution to corporate branding and reputation
Ecosystem	Improvement of the ecosystem through problem-solving initiatives
Inclusivity	Engagement in inclusive activities that extend beyond the existing ecosystem
Additionality	Unique initiatives that address challenges other companies cannot solve
Systemic Solutions	Efforts aimed at resolving the structural causes of social issues

Case Studies

Publication of Engagement Activity Reports

At CCM, we publish articles detailing our engagement activities with portfolio companies. The primary objective is to provide transparent updates to our clients. Additionally, to facilitate information sharing among our stakeholders, including

investee companies, we make these articles available on our website. As of the end of December 2024, we have published 29 articles covering 23 portfolio companies. The table below summarizes the company names and publication dates. Please refer to our website URL for the articles.

Ticker	Company	Date
1911	Sumitomo Forestry	July 2024
1928	Sekisui House	August 2023
		February 2024
2181	Persol Holdings	August 2023
2897	Nissin Food Holdings	August 2024
3636	Mitsubishi Research Institute	April 2024
4290	Prestige International	November 2023
		March 2024
6027	Bengo4.com	May 2024
6098	Recruit Holdings	August 2023
		December 2023
		July 2024
6501	Hitachi	September 2023
6506	Yaskawa Electric	August 2023
6856	Horiba	November 2023

Ticker	Company	Date
6869	Sysmex	December 2024
6914	Optex Group	November 2024
7004	Kanadevia	February 2024
7163	SBI Sumishin Net Bank	April 2024
7267	Honda Motor	September 2023
		December 2023
8252	Marui Group	July 2023
		June 2024
8411	Mizuho Financial Group	June 2024
8766	Tokio Marine Holdings	September 2024
8801	Mitsui Fudosan	October 2023
8802	Mitsubishi Estate	July 2023
8919	Katitas	January 2024
9432	Nippon Telegraph & Telephone	September 2023

Featured in “News & Insights” section of website



<https://cadiracm.com/p9vTXPHB/engagement>

Team

We aim to establish an effective governance framework to maintain the quality of our investment activities and drive organizational growth.



Company Overview

CCM is an independent emerging asset management firm established in Japan on May 9, 2022, with the mission of “Connecting the Investment Chain and Beyond.”

Origin of the Company Name

The name “Cadira” comes from Catalan and means “chair”, reflecting our commitment to always providing a place for our stakeholders. We believe that managing our business with consideration for a broad range of stakeholders leads to the creation of positive environmental and social impact, contributing to a more sustainable society. This principle serves as both a guiding philosophy for our own operations and an expectation we set for our portfolio companies.

At times, intense focus on immediate priorities can cause a loss of broader perspective. To ensure that we never lose sight of our diverse stakeholders, we chose the name “Cadira” and designed our logo with a chair motif, symbolizing a permanent place for stakeholders in our corporate philosophy.

A Specialized Sustainable Investment Asset Manager

CCM is one of the few asset management firms in Japan specializing in sustainable investment. This unique positioning has enabled us to secure capital from European investors, a region at the forefront of sustainable finance, and successfully establish our business.

We are honored to have received recognition domestically as well. In January 2024, CCM was selected as one of Japan’s leading emerging asset managers under the “EM Showcase” initiative. Furthermore, in February 2025, we were awarded a Special Recognition Prize at the ESG Finance Awards organized by Japan’s Ministry of the Environment. These accolades reinforce our commitment to revitalizing Japanese society through the strategic flow of capital.

Company Name	Cadira Capital Management Co., Ltd.	
Business Activities	Discretionary Investment Management, Investment Advisory & Agency Services	
Regulatory License	Discretionary Investment Management Business, Financial Services Agency, Kanto Local Finance Bureau, #3351	
Membership	Japan Investment Advisors Association (JIAA)	
Address	603, Kabutocho Heiwa Bldg. No.2, 9-1 Nihonbashikabutocho, Chuo-ku, Tokyo 103-0026 Japan	
Incorporation	May 9, 2022	
Equity Capital	JPY 90,000,000	
Directors	President & CEO Representative Director Representative Director Director Director Non-Executive Director Auditor	Kazuta Sakamoto Toshiyuki Matsushita Yu Shimizu Nobuhito Saima Noah Bonomi Harry Dickinson Atsuko Ochiai

Team Overview



Yu Shimizu
Representative Director, CIO
Head of Investment Management
Portfolio Manager



Toshiyuki (Toshi) Matsushita
Representative Director
Head of Investment Advisory
Portfolio Manager



Mariko Sakai
Analyst



Kazuta Sakamoto
Representative Director & President
Head of Trading
Head of Operations



Noah Bonomi
Director
Head of Global Operations



Chinatsu Togashi
Data Analyst



Nobuhito Saima
Director
Head of Risk & Compliance
Head of Internal Audit



Atsuko Ochiai
Audit & Supervisory Board Member



Harry Dickinson
Non-Executive Director

Governance

Board of Directors

At CCM, the Board of Directors serves as the company's highest decision-making body while also fulfilling the role of the Investment Policy Committee. The Board convenes monthly, engaging in active discussions and exchanges of opinions beyond routine reporting and operational reviews. This approach enhances the oversight function of our investment activities, reinforcing governance and accountability.

Internal Policy Framework

We have established clear internal policies to uphold a disciplined investment strategy.

Stewardship Code Compliance Policy

CCM fully supports Japan's Stewardship Code, which promotes the sustainable growth of investee companies and enhances long-term investor returns. Given its alignment with our philosophy, we actively implement its principles and publicly disclose our approach.

Sustainable Investment Policy

Our Sustainable Investment Policy defines the fundamental principles, responsibilities, and governance structure guiding our investment approach. It includes our exclusion criteria, engagement strategy, approach to dialogue with investee companies, and proxy voting policy. This policy is publicly available to ensure transparency.

Diversity, Equity, and Inclusion (DEI) Policy

At CCM, human capital is our greatest asset. We value the diverse backgrounds, skills, and perspectives of our team, recognizing their impact on our corporate culture and business performance. Our DEI policy fosters an inclusive environment that embraces and promotes individual uniqueness.

Corporate Social Responsibility (CSR) Policy

CCM is committed to ethical and transparent business practices, respect for human rights, and a safe, inclusive workplace. Through our investments, we address social and environmental challenges, foster community engagement, and promote sustainable resource use across the investment chain.

Fund Governance

CCM manages an Ireland-domiciled UCITS fund structured to comply with SFDR Art. 9, operating under strict European regulations. Our governance framework ensures ESG risk management, compliance monitoring, and greenwashing prevention. The Fund's Management Company maintains expertise in sustainable investments and ensures transparent disclosures. As part of its sustainability commitment, the fund actively engages in proxy voting and corporate engagement, reinforcing active ownership.

CCM's Advisor's Perspective: Yu Takata

"The information asymmetry between asset managers and asset owners can lead to various challenges. To address this, discipline is essential. At CCM, they are committed to integrity and diligence, staying true to their mission while maintaining strict internal discipline. They continuously refine how to communicate their value proposition, ensuring transparency and alignment with stakeholders."

Advisory Board

CCM's Advisory Board provides independent oversight and a multifaceted evaluation of our activities, leveraging the expertise of its members. The board, consisting of five advisors, meets monthly to exchange insights and enhance governance. Its key functions include:

Corporate Governance Oversight

Mr. Moriya, drawing on his experience as a former investment firm executive, advises on mission alignment and operational structure.

Ms. Koshiba, with her background in philanthropy, provides strategic input on socially responsible corporate

management.

Investment Strategy Oversight

Mr. Moriya and Mr. Takata, both seasoned in return-driven fund management, offer guidance on investment strategy development and execution.

Mr. Takata, who played a pivotal role in launching a foreign investment firm's Japan operations, brings deep expertise in fund strategy design.

Sustainability Oversight

Ms. Koshiba, as an Impact Officer and philanthropy expert, advises on social impact initiatives.

Mr. Ishida, a corporate finance academic, provides insights on Impact Integrated Value (IIV) assessments and engagement strategies, ensuring rigorous impact evaluation.

Ms. Awano, an ESG data specialist and environmental NGO engagement expert, enhances data-driven engagement and impact measurement.



Hidehiro Moriya

IR Consultant, Entrepreneur,
Ex-Portfolio Manager



Yuko Koshiba

Philanthropy Advisors Inc. Co-
founder and CEO



Yu Takata

Lecturer at Yasuda
Women's University, ex-buy
side analyst



Sohei Ishida

Associate Professor at
Hitotsubashi University



Mizuki Awano

Engagement lead – Shareholder
advocacy organization, Ex-
MSCI ESG consultant

Auditor's Insights: Key Takeaways from Advisor Discussions

As an auditor, I would like to share my observations on CCM's strengths, future potential, and key challenges. I hope this provides valuable insights for readers seeking to better understand the firm.

CCM's Strengths and Opportunities

After closely observing CCM's operations throughout 2024, one of the company's most notable strengths is its unique market positioning. Unlike many domestic impact investors - such as venture capital firms and foundations, which primarily focus on hands-on investments in privately held entities - CCM integrates impact investing principles into listed equities within a traditional asset management framework. This innovative approach positions CCM as a bridge between asset owners, investee companies, impact-driven organizations (both for-profit and non-profit), and academia, fostering cross-sector collaboration.

Another defining characteristic of CCM is its global exposure from inception. The firm has secured early investments from European investors, built strong communication channels with overseas stakeholders, and successfully navigated UCITS regulatory requirements. By promoting Japanese impact investment initiatives to international investors, CCM has not only established a distinctive market position but also strengthened its internal discipline and governance.

Additionally, a common theme in feedback from advisors is the team's culture of

integrity and diligence. CCM's consistent and conscientious approach has been a driving force behind its accomplishments.

Future Considerations and Challenges

As a young, growing organization, CCM must stay vigilant as its business expands. While the Board actively engages in management discussions, balancing strong defensive strategies with growth will be essential. Advocating for governance improvements among investees also requires CCM to uphold high internal standards through proactive oversight. To sustain leadership in impact investing, CCM must:

- Expand its investor base and AUM to strengthen its financial foundation.
- Enhance impact measurement with robust evidence, reinforcing credibility in listed equities.
- Strengthen industry collaboration to ensure impact investing remains a long-term movement.

Looking ahead to 2025, I am optimistic about CCM's growth and leadership. I appreciate the continued support of all stakeholders and look forward to future collaboration.



Atusko Ochiai

Auditor



Looking Ahead

Reflections on Progress Made in 2024

We hope this report has provided valuable insights into CCM's activities. Our goal is to use this report as a foundation for dialogue with stakeholders, aligning our efforts to drive continuous improvement. Moving forward, we aim to enhance the rigor of our impact assessments and expand collaborative engagement networks. Additionally, in response to European institutional investor expectations, we are evaluating ways to strengthen our governance framework for sustainability.

Expanding Impact

Globally, regulatory efforts are evolving to both promote impact investing and prevent “impact-washing.” The balance between a principle-based and rule-based approach will influence the growth potential of impact-aligned investments. For instance, if Japan's Government Pension Investment Fund (GPIF) adopts the concept of “investments that considers impact”, introduced by the Ministry of Health, Labour and Welfare in November 2024, it could drive significant market expansion. However, to avoid misinterpretation as industry- or policy-driven finance, some people argue that such investments must not be restricted to specific themes but should be evaluated through a long-term value creation lens. Given that traditional

definitions of impact investing may not fully align with this evolving approach, regulatory frameworks must strike a balance between investor protection and the flexibility needed to scale impact-driven investments.

CCM remains committed to connecting the investment chain and beyond by leveraging its agility as an independent, emerging asset manager. By pioneering innovative investment strategies, we embrace the role of a first-mover in this evolving landscape. Growth in our investor base will enable further resource allocation, strengthening both investment and engagement initiatives. Moreover, delivering strong financial performance will enhance trust in impact-conscious investing.

We look forward to continued progress and deeply appreciate the ongoing support of our stakeholders as we drive towards a more sustainable future.



Kazuta Sakamoto

President & CEO



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Cover illustration

Artist: Meina Bonomi

The vibrant vegetables in this illustration represent the many dreams of different people, growing and flourishing over time.

I have fond memories of sharing delicious, homegrown vegetables from the CCM farm at a family gathering—an experience filled with warmth and joy. Inspired by that, I envisioned this artwork as a celebration of dreams and hard work coming to life alongside CCM. Lastly, I infused this piece with deep gratitude for everyone at the company, who continuously support and nurture our aspirations.

Important Notice

This document has been prepared by Cadira Capital Management Co., Ltd. (“CCM”) for informational purposes only to professional investors who are expected to make their own investment decisions without undue reliance on this document.

The views and strategies described may not be suitable for all investors. Under no circumstances is it to be used or considered as legal or investment advice, a recommendation to buy, an offer to sell, or a solicitation of an offer to buy or sell securities and investors should be advised to consult their own stockbroker, accountant, solicitor, independent financial adviser or other professional adviser for advice. We accept no whatsoever for any direct or consequential loss arising from any use of this document or its contents. The information is intended solely to report on investment strategies and opportunities identified by CCM. Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. CCM and its affiliates do not warrant the accuracy or completeness of any of the information or data contained herein. References to specific securities and their issuers are for illustrative purpose only and are not intended to be, and should not be interpreted as investment advice or, a recommendation, offer or solicitation for the purpose or sale of any financial investment. This document does not constitute tax advice and as such investors should be advised to consult their own tax advisers regarding the tax consequences of their investment activities. Investment return and principal will fluctuate, so that a client's initial investment may increase or decrease. Investing in securities markets involve risks like those arising from stock and bond markets, currency exchanges rate and interest rate volatility. No part of this material may, without CCM prior written consent, be copied, reproduced or published by any recipient for any purpose. Past performance is not indicative of future performance.

Version	Revision Date	Revision Details
v1	2025/2/14	
v2	2025/3/14	Typos
v3	2026/1/20	P13, revised impact integrated value chart on the left bottom