

INVESTIGATIVE INVESTMENT RESEARCH

The Why, When & How

Raphael “Rafe” Lewis

Head of Specialist Research

One-on-one use only. Please read the important disclosure at the back of this material.

This material is managed by Newton Investment Management North America, LLC ('NIMNA'). NIMNA, along with its affiliates, Newton Investment Management Limited ('NIM') and Newton Investment Management Japan Limited ('NIMJ'), form BNY Investments Newton. This material is approved for one-on-one presentation and authorized individuals only to financial institutions or other qualified, sophisticated individuals. Accordingly, this material is not to be reproduced in whole or in part or used for any other purpose except as authorized by Newton.

Securities offered in the US by BNY Mellon Securities Corporation ('BNYMSC'), a registered broker-dealer. Investment advisory products offered in the US through Newton Investment Management or through BNYMSC employees acting in their capacity as associated investment adviser representatives of BNYMSC. Investment services in Canada are offered through BNY Mellon Asset Management Canada Ltd. registered as a Portfolio Manager and Exempt Market Dealer in all provinces and territories of Canada and as a Commodity Trading Manager in Ontario. BNY Mellon Asset Management Canada Ltd. ("BNYM AM Canada") is an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation. BNYM AM Canada and Newton are affiliates. This presentation has been provided by BNYM AM Canada for use with institutional investors only and may not be redistributed without authorization. Unless otherwise indicated, all financial data is shown in USD.

Who Am I?

Raphael Lewis



Title:

- Head of Specialist Research, BNY Investment Management Newton

Education:

- BA, Peace & Conflict Studies, University College, University of Toronto
- MS w/honours, Columbia University Graduate school of Journalism

Work

- 11+ yrs @ BNY Investments
- 18+ yrs in investment research
- 2 yrs as investigator w/Mass. Office of Inspector General
- 10+ years as newspaper reporter/investigative journalist

Personal:

- Live in Boston, Mass. USA, married w/2 kids

Newton's Multidimensional Research Platform

When do we use investigative research?

- When situations are opaque
- When there's no data to make forecasts or base rate assumptions
- When new laws/regulations/court rulings drop
- When a C-suite executive departs or arrives
- When a new competitor appears

**Investigative is the
LAST MILE
of fundamental research**

Multidimensional Research: A Well-Stocked Tool Bench!



- This platform offers many specialized tools for PM's and analysts to address questions requiring domain expertise and/or trade craft

'R.I.' = 'Responsible Investing'. Image source: Copilot.

Multidimensional Research

A Real-Life Recent Example (Mining Company)



Image source: Copilot

The Question: After a deadly mudslide at Indonesian copper mine, was the company being conservative in guidance and transparent in response? How would event impact negotiations with government?

R.I.: Analyzed mud rush event not as standalone catastrophe but as test of operational controls and market credibility. Explored type & existence of critical controls for setting expectations.

Conclusion: Company response has been robust & transparent, reinforcing their standing as one of the industry's most technically capable & reliable operators. Need confirmation post-release of report (YE25).

Investigative: Interviewed Indonesia mining experts & former executives.

Conclusion: A high likelihood that company post-catastrophe guidance was conservative & achievable. Also, company has an extremely high likelihood of maintaining and extending its management and partial ownership of the mine, although government involvement in Indonesian operation introduces longer-term operational risks.

Investigative Research – Takeaways

- ✓ Utilizes investigative journalistic tradecraft
- ✓ Act as “last mile” of fundamental analysis process
- ✓ Goes where Artificial Intelligence can’t
- ✓ Turns qualitative insights into quantitative outputs in forecast & model
- ✓ Exploits information dislocations when news breaks
- ✓ Sanity-checks company pronouncements/guidance
- ✓ Acts as a “second set of eyes” to minimize confirmation bias



Image source: Copilot

Q & A

REMEMBER:

Curiosity is the single-most important trait of a great investigative research analyst!

Important Information

For Institutional Clients Only. Issued by Newton Investment Management North America LLC ('NIMNA' or the 'Firm'). NIMNA is a registered investment adviser with the US Securities and Exchange Commission ('SEC') and subsidiary of The Bank of New York Mellon Corporation ('BNY'). The Firm was established in 2021, comprised of equity and multi-asset teams from an affiliate, Mellon Investments Corporation ('MIC'). The Firm is part of the group of affiliated companies that individually or collectively provide investment advisory services under the brand 'Newton' or 'Newton Investment Management' or 'BNY Investments Newton'. Newton currently includes NIMNA and Newton Investment Management Ltd. ('NIM') and Newton Investment Management Japan Limited ('NIMJ').

The Firm's assets under management, client and employee counts are as of the most recent quarter end, unless noted otherwise. Where applicable, assets under management include discretionary and non-discretionary assets, the notional value of overlay strategies, assets of bank-maintained collective investment funds for which NIMNA has been appointed sub-advisor, assets managed by investment personnel acting in their capacity as officers of affiliated entities and assets under advisement for a model of securities which the Firm does not arrange and as to which we do not affect the purchase or sale of securities. Newton's assets under management include assets collectively managed by NIM and NIMNA.

This document may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorized. This material (or any portion thereof) may not be copied or distributed without Newton's prior written approval.

Statements are current as of the date of the material only. Any forward-looking statements speak only as of the date they are made, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements.

The following provides a simplified example of the cumulative effect of management fees on investment performance: An annual management fee of 0.80% applied over a five-year period to a \$100 million portfolio with an annualized gross return of 10% would reduce the value of the portfolio from \$161,051,000 to \$154,783,041. The actual investment advisory fees incurred by clients may vary depending on account size, structure, cash flow and other account-specific factors. Newton's standard fees are shown in Part 2A of its Form ADV.

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Past results are not indicative of future performance and are no guarantee that losses will not occur in the future. Future returns are not guaranteed, and a loss of principal may occur.

Performance is expressed in U.S. dollars unless noted otherwise. Performance results for one year and less are not annualized. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Performance presented for measurement periods prior to September 1, 2021 represents the performance of the strategy when managed at Mellon Investments Corporation ('MIC'), an affiliate of NIMNA. Performance presented for measurement periods prior to February 1, 2018 represents the portable performance results of a prior affiliated firm.

To derive Ten Largest Holdings, Characteristics, Economic Sector Weightings, Country Weightings and Portfolio Holdings for presentation purposes, a representative institutional account ('Account') has been identified to be used as a proxy for the strategy. The information provided in this document should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an

account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an Account's entire portfolio and in the aggregate may represent only a small percentage of an Account's portfolio holdings. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Newton manages a variety of investment strategies. How ESG analysis is integrated into Newton's strategies depends on the asset classes and/or the particular strategy involved. ESG can be one of many inputs into the fundamental analysis. Newton will make investment decisions that are not based solely on ESG analysis. Other attributes of an investment may outweigh ESG analysis when making investment decisions.

Some information contained herein has been obtained from third-party sources that are believed to be reliable, but the information has not been independently verified by Newton. Newton makes no representations as to the accuracy or the completeness of such information and has no obligation to revise or update any statement herein for any reason. Unless you are notified to the contrary, the products and services mentioned are not insured by the FDIC (or by any governmental entity) and are not guaranteed by or obligations of The Bank of New York or any of its affiliates. The Bank of New York assumes no responsibility for the accuracy or completeness of the above data and disclaims all expressed or implied warranties in connection therewith.

Charts and graphs herein are provided as illustrations only and are not meant to be guarantees of any return. The illustrations are based upon certain assumptions that may or may not turn out to be true.

The use of corporate names or logos in this presentation, other than those of Newton or its affiliates, is for illustrative purposes only and rights to any logos, trademarks or servicemarks are owned by their respective entities. It is not known whether the listed companies endorse or disapprove of Newton or any advisory services provided.

The indices referred to herein are used for comparative and informational purposes only and have been selected because they are generally considered to be representative of certain markets. Comparisons to indices as benchmarks have limitations because indices have volatility and other material characteristics that may differ from the portfolio, investment or hedge to which they are compared. The providers of the indices referred to herein are not affiliated with NIMNA, do not endorse, sponsor, sell or promote the investment strategies or products mentioned herein and they make no representation regarding the advisability of investing in the products and strategies described herein. Please see NewtonIM.com for important index licensing information.

Newton does not consider Investment Analytics to meet the definition of performance as defined in 206(4)-1(e). Investment Analytics are usually utilized as evaluation tools, both by internal portfolio management teams along with clients, to better understand drivers of performance returns however they are not considered actual performance returns. Gross performance data is used to derive at Investment Analytics. Investment Analytics would include but not limited to: Attribution which shows contribution of returns at difference classifications; Top xx / Bottom xx Contributors (with xx being any number less than the half of the holdings in a portfolio); Ex-post risk statistics (such as tracking error, information ratio, standard deviation of returns). Note: Classifications used in attribution can include but not limited to: Sector / Industry / Sub-Industry; Geographical (for example country, region); Market Cap.

Important Information

For Canadian Investors

BNY Mellon Asset Management Canada Ltd.

One York Street, Suite 601, Toronto, ON M5J 0B6

Investment services in Canada are offered through BNY Mellon Asset Management Canada Ltd. (BNYM AM Canada), registered as a Portfolio Manager and Exempt Market Dealer in all provinces and territories of Canada and as a Commodity Trading Manager in Ontario. BNYM AM Canada is an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation. BNYM AM Canada and Newton are affiliates. Unless otherwise indicated, all financial data is shown in USD. This presentation has been provided by BNYM AM Canada for use with institutional investors only and may not be redistributed without authorization.

Institutional

David McKee

647-625-5424

david.mckee@bny.com

Retail Sub-Advisory

Timothy J. Wilcox

416-561-5311 (mobile)

tim.wilcox@bny.com

