

The image features a dark green background with a small bird in flight, its wings spread, positioned in the lower center. The bird is illuminated from below, highlighting its feathers. The background is filled with out-of-focus green leaves, creating a natural, organic feel. In the top left corner, the SECOR logo is displayed, consisting of a gold-colored roof-like shape above the word "SECOR" in white, bold, sans-serif capital letters. To the right of "SECOR" is a vertical line, followed by the words "ASSET" and "MANAGEMENT" stacked vertically in a smaller, white, sans-serif font.

SECOR | ASSET
MANAGEMENT

SECOR Asset Management
ESG & Corporate Responsibility
Annual Report 2020

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* Cover photo by: P. Bernier

INTRODUCTION

Welcome to SECOR's inaugural formal report on Environmental, Social and Governance (ESG) and Corporate Responsibility, our related considerations and approach to Responsible Investing (RI). This report underlines our commitment to ESG and its expanding important role in our investment process.

Since our founding, we have been driven to improve every aspect of our business, including how we advise, evaluate risk, innovate and how we measure and engage with clients. ESG considerations and Corporate Responsibility are part of our DNA, they have been SECOR's core institutional culture and values since inception. Therefore, we are issuing this report to describe our beliefs and progress thus far. We recognise the responsibility of being a good global corporate steward and the importance of environmental, social and governance factors in advising our clients, manager selection and assessing investments and solutions.

In this report, we present our approach to ESG and Corporate Responsibility through the lens of our ESG Investment Beliefs and discuss how they provide a framework for our investment process and implementation. We incorporate these considerations in investment manager selection and ongoing oversight on behalf of our clients. We highlight SECOR's demonstrated leadership in Diversity and Inclusion and recent Corporate Responsibility and Sustainability efforts by the firm and its associates. We then look ahead to our ongoing and future endeavors to innovate and to become a leading voice for ESG and Corporate Responsibility for our clients and our industry.



Tony Kao

Managing Principal



Photo by: P. Bernier

ABOUT US

SECOR Asset Management, LP is an independent, global investment advisory and risk management solutions firm launched in 2010 with offices in New York and London. Our firm offers asset owners innovative Investment Advisory and Implementation strategies, including both full and partial Fiduciary Management, each designed to help our clients navigate increasingly complex investment challenges. Total client assets approximate \$38.2 billion¹

- A “spin off” of the General Motors Asset Management group
- Experienced & stable team
- Asset owner DNA & expertise
- Aligned with client interests
- Customized strategic investment and risk management solutions

2020 AWARDS AND RECOGNITION



Finalist - Fiduciary Management Firm of the Year



*Finalist – LDI Manager of the Year
& Fiduciary Management*



Finalist – Fiduciary Manager of the Year

¹The firm's Total Client Assets reflects assets under advisement, assets being hedged by SECOR, and fund strategies assets under management, comprised of \$12.9B in assets under advisement, \$25.2B in assets being hedged by SECOR, and \$0.1B in fund strategies assets under management as of 31 March 2020. Assets under advisement is the total value of client assets for which we provide strategic advice. Assets being hedged is the total value of client assets within the scope of a particular mandate, a portion of which may be hedged. Assets being hedged is calculated on a contract-by-contract basis; therefore, if more than one mandate is in place, a client's assets may be counted more than once. Fund strategies assets under management is the total net asset value of client assets.



Photo by: P. Bernier

OUR APPROACH

Companies with strong corporate governance, that act in a responsible way with regard to the environment, their associates and other constituents are likely, to be stronger and more sustainable companies.

Conversely, those with weaker ESG characteristics may face headwinds and various risks that may be currently known or unknown creating less certainty.

SECOR's ESG Investment Beliefs

- We believe that ESG beliefs are aligned with our overall investment beliefs and long-term investment process
- ESG impacts the performance of companies and security pricing over time
- Adhering to sound ESG principles improves risk-adjusted return
- Active ESG strategies should be incorporated into the overall active management program

SECOR acknowledges that incorporation of these considerations can take many forms and will be impacted by asset class, investment style, and other investment mandate specific factors.

SECOR understands that every investor has unique ESG and stewardship beliefs and should have the ability to incorporate them in the investment guidelines. While maintaining a high degree of flexibility, we also believe these considerations should have a set of ESG investment beliefs at their core.

We customise our investment approach to our clients' ESG beliefs by understanding their differences and unique needs. We believe that this methodology allows a tailored approach that is appropriate for each investment and can help to better allocate resources and make informed decisions on key areas of focus in leveraging ESG to improve expected investment outcomes and take into account the objectives for all stakeholders.

ESG Incorporation - Our Investment Framework

We incorporate ESG considerations into our investment manager selection and investment oversight process. We believe ESG factors should be aligned with agreed upon risk and return guidelines. Integrating ESG in the investment processes can enhance expected performance, if implemented correctly.

ESG is a constantly evolving concept so we endeavour to use widely accepted frameworks and definitions to articulate our approach to Responsible Investing. Our starting point is the UN Principles for Responsible Investing (UN PRI) which is used to guide us and as a reference point.

The three generally agreed approaches to Responsible Investment consist of Exclusion, Integration and Impact

are defined below and an illustrated representation of the approaches are shown in the following chart (Responsible Investment Approaches).

- Exclusion: is screening out certain investments to comply with legal, regulatory or other requirements
- Integration: is primarily an alpha tool that can be used by managers to reduce risk or improve return relative to the benchmark. Integration is at the core of SECOR's ESG beliefs and approach.
- Impact: is an alpha or active management tool that can be used to reduce risk relative to the strategic benchmark but may also be used to improve returns and for diversification

Responsible Investment Approaches

Investment Approach	Definition	Asset Selection Approach	Example
Exclusion Investing (AKA: Socially Responsible Investing)	Attempting to screen out investment in stocks, companies or industries based on a set of ethical values	Exclusion	Carbon, coal, fossil fuel, cluster munitions
Integration	Integrates environmental, social and governance non-financial data into fundamental investment analysis to the extent they are material investment performance	Inclusion & Exclusion or Neutral (reporting/measurement)	A fund manager who has a clear and systematic process on how financially material ESG factors are identified and incorporated into the decision-making process
Impact Investing	Looking for (or avoiding) investments that have a positive (or negative) investment return as well as a desired social, economic or environmental outcome	Inclusion & Exclusion	Climate change, low-income housing, clean drinking water, clean technology projects, protecting biodiversity

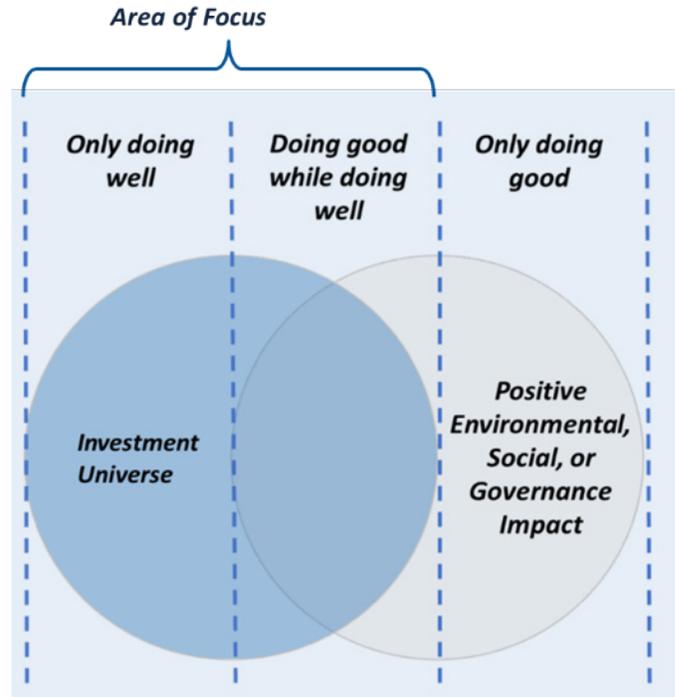
Responsible Investing Implementation

As illustrated in the following diagram, SECOR believes by incorporating ESG considerations into investing it is possible for a portion of assets to meet the investment objectives (doing well) while also having a positive environmental, social, or governance impact (doing good). The intersection of the "Investment Universe" and "Positive Environmental Social Governance Impact" is the sweet spot of both "doing good while doing well".

Asset Classes

In considering how Responsible Investing and ESG beliefs can be used in the Investment oversight frameworks, SECOR believes it is important to understand how ESG considerations can be incorporated across asset classes. Our approach to ESG is not a one-size-fits-all solution but takes many factors into consideration. Responsible Investing is different from asset class to asset class. The tools that can be used to influence behaviour and the approaches that can be considered are similar for various investment types, but will vary across assets classes.

The key differences between asset classes are primarily driven by the degree of control and influence of the asset class investor. Data availability and the investment structure impact how influential the asset owner can be. When these factors are taken into consideration SECOR believes there is a spectrum of ESG materiality by asset class as shown in the preceding diagram.



We believe this relative materiality level is constant for both investment management as well as Investment Manager selection and oversight. These beliefs help frame our approach to ESG across asset classes and lead to a more robust process of ESG understanding and incorporation.

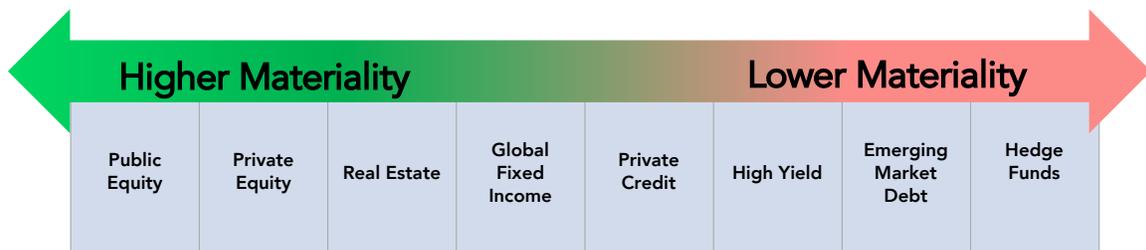




Photo by: P. Bernier

INVESTMENT MANAGER SELECTION AND OVERSIGHT

As an investment advisor, SECOR is privileged to be able to recommend to our clients or to allocate to various best in class managers in each respective asset class. Our rigorous manager selection process is utilised to identify and select managers to meet investment objectives where the day to day investment management responsibility is entrusted to the managers. In so doing, as an advisor, SECOR delegates a significant portion of Stewardship and ESG implementation and consideration to external investment managers as a practical necessity. However, we seek to add value on behalf of our clients through rigorous oversight and dialogue with our external managers. We believe by incorporating ESG considerations in our selection and ongoing oversight we can improve client outcomes. Research indicates that the benefits of ESG integration may vary by asset class and be dynamic over time.

SECOR expects external investment managers to implement their respective ESG policies in relation to the assets they manage and we will ask managers to consider the following:

- Incorporating ESG factors into their investment analyses.
- Being active owners (with the possible exception of quantitative, passive, and other strategies where active ownership is less practical²).
- Becoming a signatory to the UN Principles for Responsible Investment (UN PRI) or demonstrating a commitment to similar principles.
- Providing annual communication about their ESG investing policies and activities. We will ask all our managers to report how they have considered ESG in the investment of our clients' mandates.

²Active Ownership is defined as investors engaging with companies and actively using their voting rights to engage with the company on ESG issues, or other matters of business strategy, to ensure that the company's interests are aligned with their own with the goal of reducing risk or enhancing shareholder value.

Type of asset category and mandate will determine what this means in practice and will need to be assessed on a case-by-case basis. Therefore, we do not expect a uniform approach across all asset classes and managers.

SECOR's multi-stage manager (investment) selection process incorporates ESG factors as part of the investment evaluation. This robust process is an important part of the manager selection process. For each manager candidate, SECOR's investment team will ask ESG questions as part of the diligence process. Additionally, a recent addition will be an ESG questionnaire which will be integrated in the early stages of the RFP process.

At the final stage of investment approval, the Investment Approval Committee (IAC) will evaluate ESG policies and diligence findings. Thus, ESG is integrated from the initial stage to the final investment decision making process.

Ongoing Monitoring

However, the ESG process does not stop with

Sample Report*

Investment approval. SECOR continually strives to enhance our ongoing investment (manager) oversight and monitoring process. A manager's scorecard and reporting will be used to understand the manager's consideration of ESG and how they compare to their peers. ESG is one of many tools we use to evaluate a manager as part of a holistic selection and oversight process.

A sample report (figure below) shows a consolidated summary of a client's portfolio of managers on various ESG reporting data and performance. SECOR has developed a manager peer comparison score card to assist in evaluating each manager based on an ESG rating scale from 1 to 5. By consolidating these data on ESG factors, and engaging with each manager at least annually, SECOR will monitor and compare the ESG progress of each manager in which we have invested.

Looking ahead, as with all our processes, we will continue to review, re-evaluate and endeavour to improve these processes as we obtain additional data, and as industry's ESG metrics and policies evolve.

General:	Equity	Fixed Income	RR	Private Equity	Private Credit	HF
Manager In Scope	✓	✓	✓	✓	✓	✓
Manager has ESG Policy	✓	✓	✓	✓	✓	✓
Policy implemented in 2019	✓	✓	✓	✓	✓	✓
Manager seeks to address:						
Environmental	✓	✓	✓	✓	✓	✓
Social	✓	✓	✓	✓	✓	✓
Governance	✓	✓	✓	✓	✓	✓
Return enhancement	✗	✓	✓	✓	✓	✓
Risk reduction considerations	✓	✓	✓	✓	✓	✓
Integration in Investment Policy						
Firm						
ESG Management Framework	✓	✓	✓	✓	✓	✓
Employee Training	✗	✗	✗	✗	✗	✗
Investment Process	✓	✓	✓	✓	✓	✓
Engage Third Party Providers	✓	✓	✓	✓	✓	✓
Process for measurement	✓	✓	✓	✓	✓	✓
Stewardship						
Proxy Voting Policy	✓	✓	✓	✓	✓	✓
FI Covenant Monitoring	✓	✓	✓	✓	✓	✓
Exclusions						
Cluster Munitions	✓	✓	✓	✓	✓	✓
Impact Investing						
Used in Client strategy	✓	✓	✓	✓	✓	✓
Memberships/ Participations						
Industry Collaborations						
Various (tracked separately)						
Global or regional Initiatives						
UN PRI	✓	✓	✓	✓	✓	✓
UK Stewardship Code	✓	✓	✓	✓	✓	✓
Other (tracked separately)						
Policy Implementation and Review						
2019 Questionnaire Completed	✓	✓	✓	✓	✓	✓
Has policy update process	✓	✓	✓	✓	✓	✓

Manager ESG Policy
85% of assets in scope are covered by an ESG Policy. Of the assets in scope 94% considered Governance as a key aspect for consideration while 87% considered Environmental and Social.

Manager ESG Scorecard: Scale of 1 to 5

- Manager does not have an ESG Policy
- Manager does not consider ESG factors
- Manager is behind peers
- Manager addresses ESG issues but does not incorporate them in their investment research or investment decision making process.
- Manager is in line with peers
- Manager demonstrates significant ESG awareness
- Manager incorporates ESG considerations into their investment research or investment decision
- Manager exceeds peers

Introduction and overview
The UK and the US have both implemented a strong, broad-based recovery in the first quarter in response to a confluence of positive factors. Most notably, the soft patch in economic activity in late 2018 appeared to have run its course in response to the following: a dovish shift by major central banks in majority of the Euro's Open Market Committee was projected that there will be no rate increases this year versus their forecast last December of two increases, while the ECB maintained its TLTRO programme of attractively priced loans to the banking system. The most recent data from China have allayed concerns about capital weakness in the world's second largest economy, and the US and China have engaged in high-level but difficult negotiations on a trade agreement that could defuse a significant cyclical risk.

Commodity markets were mostly range-bound. Oil and JPI underperformed due to the associated negative carry, while emerging markets currencies benefited from demand for profit. ESG gained versus EIP as the least broad responsiveness within the UK and in the UK/Europe regulatory settings mitigated the possibility of a hard Brexit.

Key Developments from Prior Year
Early markets, led by the US, enjoyed a strong, broad-based recovery in the first quarter in response to a confluence of positive factors. Most notably, the soft patch in economic activity in late 2018 appeared to have run its course in response to the following: a dovish shift by major central banks in majority of the Euro's Open Market Committee was projected that there will be no rate increases this year versus their forecast last December of two increases, while the ECB maintained its TLTRO programme of attractively priced loans to the banking system. The most recent data from China have allayed concerns about capital weakness in the world's second largest economy, and the US and China have engaged in high-level but difficult negotiations on a trade agreement that could defuse a significant cyclical risk.

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Timeline and Next Steps

*For illustrative purposes only

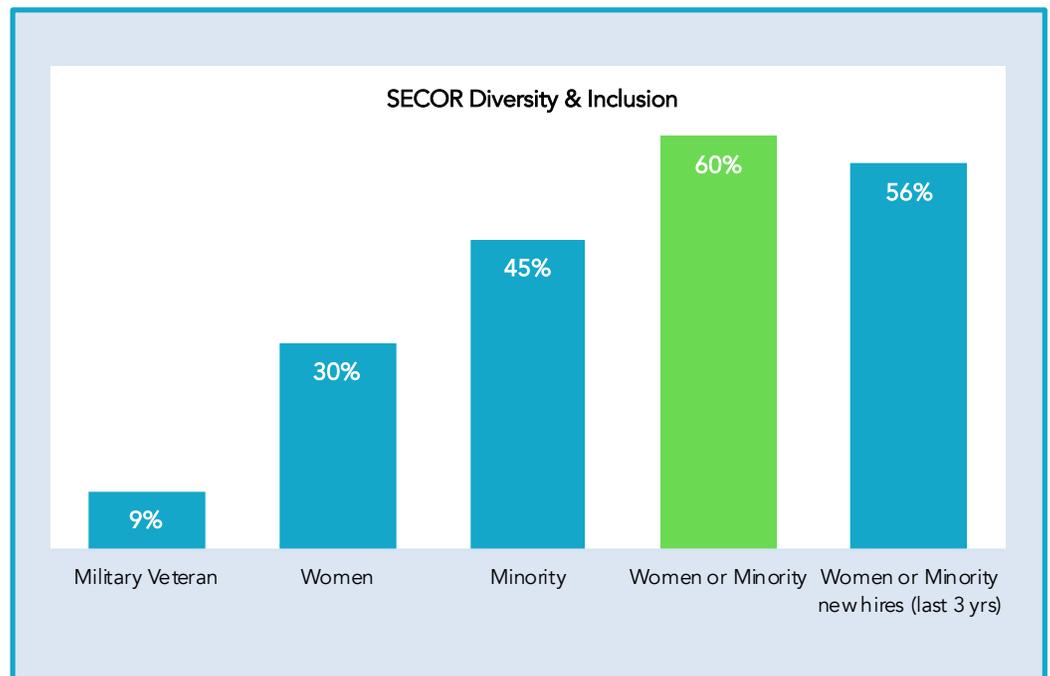
SECOR IS DIVERSITY & INCLUSION

People are our most valuable asset. This is especially the case in investment advisory where trust and expertise are paramount. SECOR is an intellectual capital business focused on delivering the best advice and solutions to clients. Achieving these objectives requires us to identify, develop and retain the best talent.

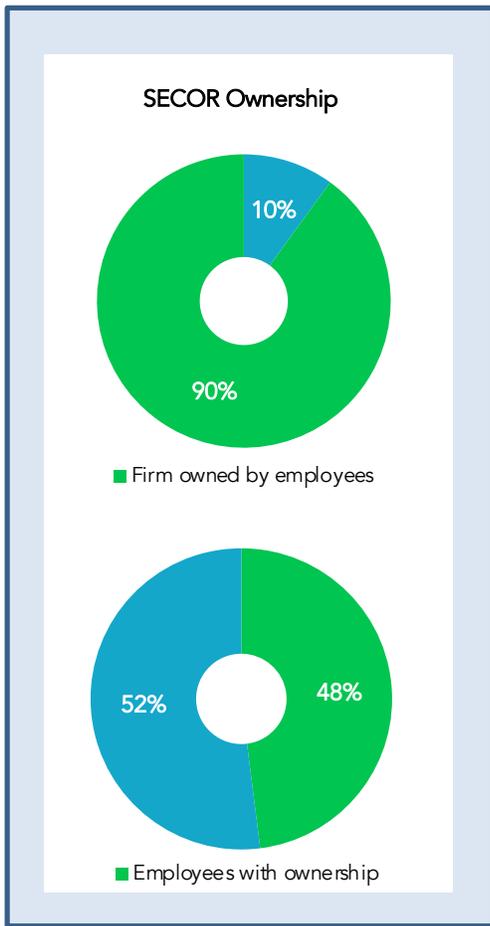
Whereas many organisations espouse Diversity and Inclusion as an aspirational goal, SECOR has committed and demonstrated Corporate Responsibility action since its founding in 2010. From our Managing Principal Tony Kao and throughout the organisation, a culture of inclusion is part of SECOR's history and DNA. SECOR realised early on that long-term success and competitiveness depend on talented, driven people and the ability to attract, motivate and retain individuals with a broad array of diversity.

Diversity at SECOR is not just limited to gender or race but includes openness to differences in ethnicity, religion, thought, experience, cross-cultural and socio-economic backgrounds. We actively promote a culture of inclusion, acceptance and equality. At SECOR, we support fairness, compassion, representation and equality in all communities.

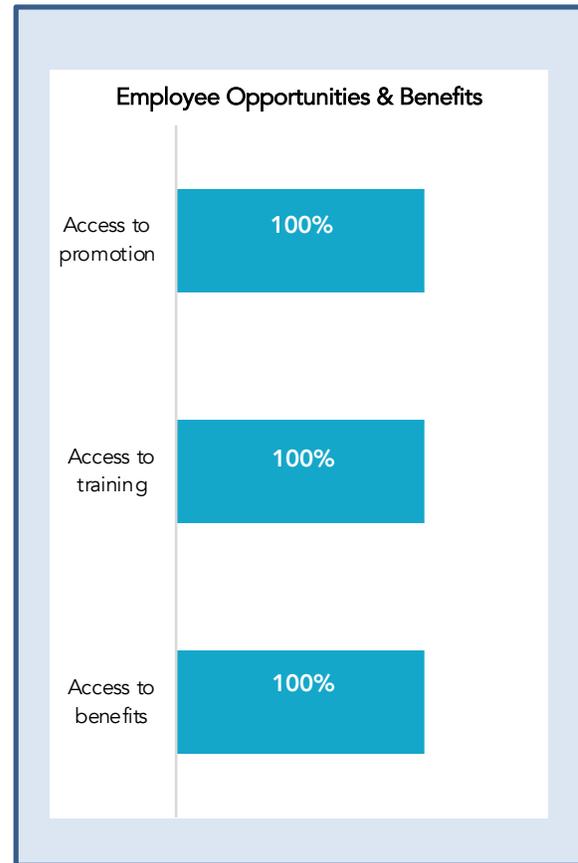
SECOR's leadership in Diversity is demonstrated by the inclusive make up of our team, where currently sixty percent (60%) of our team represents communities traditionally underrepresented (minority or women) in the investment industry. In the last three years, 56% of new employees who joined SECOR have been women or from typically unrepresented backgrounds. We will continue to proactively recruit, retain and promote a diverse and talented team. We encourage others in the investment industry to join SECOR in this diversity effort.



From inception to the present day, SECOR has been an independent employee-owned, flat organisation where everyone can advance and thrive. SECOR recognises the importance of ownership structure in motivating employees and developing a firm culture. SECOR is an independently-owned firm (over 90%) where 48% of staff own direct equity to best ensure alignment of interests. We have learned over our decades of experience that broad employee ownership and inclusion provide employees with a singular focus on the overall success of the firm.



SECOR also fosters professional and personal development and encourages our team members to engage with the communities where we work and live. All employees have full access to training, benefits and to merit based advancement opportunities.



The SECOR team includes practitioners from asset owners and allocators, investment and actuarial consulting firms, buy-side asset managers and others. We believe that Diversity and Inclusion can drive growth, innovation and enhance client servicing at SECOR through:

- Leadership - Diverse thinking and better decision making
- Talent - Retention of the best people drives innovation and future growth
- Clients - Able to adapt to diverse needs and perspectives of expanding global customer base

A workforce comprised of people with varied backgrounds and experiences creates a rich cross-section of thought and diverse perspectives, leading to better ideas and decisions. A report on diversity policies supports SECOR’s beliefs that “having a diverse workforce helps companies acquire and retain the best talent, build employee engagement, increase innovation, and improve business performance.”³

³ <https://hbr.org/2013/12/how-diversity-can-drive-innovation>

RECENT HIGHLIGHTS ON RESPONSIBILITY & IMPACT



SECOR over the past year became a signatory and/or supporter of a number of important ESG initiatives including: the UN's Principles for Responsible Investing, the UK's Financial Reporting Stewardship Code, The Task Force on Climate-related Financial Disclosure, the Carbonfree Partner Program, and the IMPACT Management Project aimed at sharing best practices for measuring and reporting on ESG issues.

UN PRI - Principles for Responsible Investment

SECOR is delighted to announce that in May 2020 prior to the release of this report, we became a signatory of UN PRI.

The Principals of Responsible Investment were developed by an international group of institutional investors reflecting the increasing relevance of environmental, social and corporate governance issues to investment practices. We are proud to become a signatory and member of UN PRI, the world's leading proponent of responsible investment which works with signatories to put the Principles for Responsible Investment into practice.



Financial Reporting Council - UK Stewardship Code

SECOR is a signatory to the UK's Financial Reporting Council's revised UK Stewardship Code for investment service providers. Compliance with the code reflects SECOR's commitment to advancing industry best practices on ESG related issues. The FRC is leading the way in the UK on standards for stewardship, and SECOR is proud to support these efforts.



The Task Force on Climate-related Financial Disclosures (TCFD)

SECOR is a supporter and a member of The Task Force on Climate-related Financial Disclosures (TCFD). This organization works to develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. SECOR believes in full transparency and disclosures in investments.



Carbonfund.org "Reduce What You Can, Offset What You Can't"

In efforts to do our part to reduce global carbon footprint, SECOR became a member of the Carbonfund.org. Its Carbonfree® Partner Program, is an innovative and flexible way for business to calculate, reduce and offset its carbon footprint. SECOR is working to reduce & offset climate impact and hasten the transition to a clean energy future.



IMPACT Management Project

The Impact Management Project (IMP) is a forum for organizations to build consensus on how to measure, compare and report impacts on environmental and social issues. SECOR looks forward to sharing in IMP's dialogue, expertise and experience to help build consensus and share best practices in impact measurement and management.

CASE STUDY



The following investment case study on Green For Life (GFL) is an illustration of a “green” and sustainable investment in a waste management company on behalf of a client that stands on its own merits as a sound investment which is good for the environment.

This investment provides an example of SECOR’s execution of Responsible Investment Implementation; integration and intersection of both “Do Well” and “Do Good” (performance first as fiduciary but also doing good).

Investment Case Study

GFL (Green For Life) Environmental

In Q2 2019, on behalf of an international family office, SECOR made a Private Equity investment in GFL (Green For Life) Environmental Inc., a leading North American provider of diversified environmental solutions across solid and liquid waste management.

The client engaged SECOR as PE investment manager to select and manage a direct private equity program in the US and Europe. The client’s investment objective for risk-adjusted returns was foremost but SECOR also recognized the client’s unstated interest in sustainability and the environment. SECOR sourced this investment through a relationship with a highly regarded sponsor and upon investment due diligence identified a unique opportunity to make a sizable equity investment in a high growth, well managed, responsible and green company.

As a growing waste management firm, GFL made significant investments and acquisitions in forward-looking ‘circular economy’ processes. They were aimed at minimizing waste and maximizing regeneration of resources. GFL acquired a firm that turns food waste and reclaimed sulphur waste into fertilizer. GFL also invested in landfill gas for energy facilities that capture landfill gas and convert the captured

gas into a renewable source of electricity for use by households and businesses. In a bid to lower costs and be more environmentally friendly, GFL started using clean natural gas to power its solid waste collection vehicles. GFL also invested in soil remediation facilities that enable contaminated soils otherwise destined for landfill disposal to be reused in construction and development projects. It was clear that sustainability is fundamental to GFL.

From a financial investment standpoint, this transaction offered the opportunity to participate in a high-growth consolidation platform in an attractive, fragmented and stable industry. We believe that the opportunity to leverage the platform with management that has a proven track record in executing such a strategy and tangible ESG and sustainability factors made GFL a compelling investment case. Since the investment, GFL has IPO’d (dual listed in NYSE & Toronto), executing its growth plans and unrealized investment performance has been above expectations.

SECOR believes that by integrating ESG considerations into investing it is possible for an asset manager to meet their investment objectives while also having a positive environmental, social, or governance impact.



Photo by: P. Bernier

CORPORATE SUSTAINABILITY & ENVIRONMENT

SECOR and team members are dedicated to being good global citizens and caretaker of our earth by committing to reducing our overall environmental footprint. In fact, SECOR's recent milestone actions, relocation of its NY city office to a "state of the art" energy efficient space, offsetting its carbon footprint related to air miles travelled last year, and its ongoing environmental initiatives attest to our firm's deep-seated ESG commitment.

- ✓ **SECOR relocated to new LEED Silver Certified building.** (1290 Avenue of the Americas, New York)

In early 2019, SECOR decided to move its New York corporate headquarters from an older, larger, inefficient, non-LEEDS certified space to a renovated, highly efficient office building well regarded for being green. The new headquarters building's infrastructure has been fully modernized, achieving the US Green Building Council's LEED-EB Silver certification. SECOR moved into the updated office space in Feb 2020 with much anticipation. The new space has a smaller carbon footprint due largely to updated space with better design & layout

which includes team rooms, privacy booths, improved lighting and new ergonomically designed standing desks, all of which have contributed to improving overall office and employee work productivity. Improved green buildings such as our new NYC headquarters offer a better, safer, healthier and sustainable work-life.

- ✓ **Carbon footprint reduction and offsetting**

In efforts to do our part to reduce the global carbon footprint, SECOR is a member of the Carbonfund.org. As a global investment firm, with staff located in New York and London and clients across the European continent, the UK and the United States, and investment managers based globally, we endeavour to use technology and video conferencing measures to reduce travel and fight carbon emissions and greenhouse effects whenever possible. However, some important areas such as air travel where we are unable to reduce our carbon emissions footprint and its related effects, we have offset our carbon footprint of approximately 400,000 air-miles in partnership with Carbonfund.org's Carbonfree® Partner Program in 2019.



Photo by: P. Bernier

Despite these notable achievements, SECOR is aware that we are responsible for producing a total of 195 metric tons of emissions between US and UK offices in 2019 and we are committed to continue working to reduce & offset climate impact and hasten the transition to a clean energy future

Other on-going efforts are as follows:

- ✓ Most employees in SECOR's NYC and London offices use public transportation (trains, subways, buses, bicycles or walk) to work regularly
- ✓ Commuter public transportation and rail pass benefits
- ✓ Regular Video conferencing (Lifesize) with overseas clients to minimize air travel
- ✓ Recycling & waste management program and training (paper, plastic, bottles, recycling of coffee pods, eliminated one-time use bottles etc)
- ✓ Reducing paper usage through technology enhancements, "paperless office" encouraged
- ✓ Earth Day activities at building to promote awareness
- ✓ Procurement initiatives to reduce single-use plastic items and switch to bio-degradable or compostable materials.

We have incorporated environmental recycling and energy preservation measures as sustainable practices and are committed to these actions in our daily activities

CORPORATE SOCIAL RESPONSIBILITY "CSR" AND ENGAGEMENT

SECOR has implemented several Corporate Social Responsibility programs and created a culture to foster social responsibility, implement and encourage green practices, and share the value of corporate social responsibility with the community. SECOR supports or promotes these following organizations:

- ✓ **Good Shepherd Services** - a New York City local charity that helps over 30,000 youth and family members in struggling neighbourhoods with developmental programs and services
- ✓ **Midnight Madness** - a fund raising program with team building fun, all-night puzzle
- ✓ **Adopt-A Family Holiday Drive** - holiday season charity drive for disadvantaged families in our local communities
- ✓ **NY Cares** - ongoing local volunteer program to meet the needs of vulnerable children, elderly and adults, projects include revitalization of schools and homes, disaster response, and gift drives. Additionally, on-line virtual volunteering available during Covid-19

COVID -19 SUPPORT DONATIONS

Currently, the world is undergoing the devastating impact of the Corona Virus (Covid19) pandemic. Realizing the devastating effects of Covid-19, particularly for the most vulnerable in our society and the desperate needs of everyone effected, SECOR is setting the example by supporting each employee and their individual causes they support.

On behalf of each employees globally, SECOR has generously donated \$1,200 (or £1,000) to various non-profits of their choice to help those in need and also donated our excess computer equipment including iPads to local hospitals. Many of our team members have also partnered with local charity organizations or restaurants to deliver meals for hospital staff in the hardest hit areas.



Excerpt from UK's Pension Age magazine*:

SECOR Asset Management is making donations of £1,000 per employee to do their bit given the far-reaching impact of COVID-19. And SECOR's staff have been doing their bit for their local communities in a number of different ways too. Through the Company donations allocated, some have chosen to support established charities which are directly helping those most affected, whilst others have used the funds to support local COVID-19 relief initiatives, such as purchasing medical supplies/equipment, supporting local small business, as well as partnering with local restaurants to deliver meals for hospital staff in the hardest hit areas. Beyond donations, SECOR has also donated equipment such as iPads to local hospitals so that loved ones can keep in touch with sick relatives.

Tony Kao, Managing Partner said "So many small businesses and individuals are suffering immediate hardship and are likely to suffer more hardship in the future. And while the government has responded, we can all play our part. This small gesture enables each and every one of our employees to help some of those most in need at a time when we all need to pull together."

* <https://www.pensionsage.com/pa/it%27s-not-all-doom-and-gloom.php>

ETHICS

Our ethical foundation is that of an asset owner. We have walked in your shoes, as both pension managers and fiduciaries, and have faced similar challenges.

For SECOR, ethics is much more than compliance or regulatory mandated Code of Conduct & Ethics, or Compliance Manual or Company Policies that most firms in the financial services industry are typically required to institute and enforce. We view adhering to these rules and regulations as only a necessary first step in our ethical hierarchy.

As previously mentioned, people are our most valuable asset. As a boutique with a flat organization, we have endeavoured to build a culture and environment in which high ethical standards, trust, transparency and collaboration are instilled and nurtured. Implementing and creating an environment conducive to high ethical standards in the investment industry is not only the right thing to do, also it is the best way to build a sustainable business and long-term trust with our clients. We believe that our ethically-minded staff helps to foster a firm culture committed to doing the right thing for clients, their colleagues and other stakeholders.

For our team members, this means using care and professional judgement in making investments or recommendations. Training and continued education are also an important part of professional development and competency in performing our roles. We will always strive to act with integrity, competence and diligence to provide the highest standard of conduct for our clients. We believe a mission and vision of doing something good over just financial incentive are more likely to lead to good moral and ethical decisions. As an example, ethical behaviour towards a client is that fees for services should reasonably compensate a firm for doing the best job it can for the client.

The bottom line for ethical behaviour requires that every consideration or action in the relationship be for the best interests of the client. We understand that Fiduciary duty by definition means duty of care and duty of management, but we believe that Fiduciary duty is our foremost responsibility, as it means taking responsibility for the interests of others – in this case, the client's interests. Additionally, as practitioners in the investment community, SECOR will promote and encourage ethical behaviour in our profession.



LOOKING AHEAD

Since our inception, corporate responsibilities have been a part of our DNA. As the world evolves, SECOR is agile and helps our clients adapt to navigate change. We believe SECOR has accomplished much, however there is more work to be done.

SECOR is moving forward with ongoing Corporate Responsibility & ESG projects. Some of these include:

- Working with clients to formulate and establish ESG Beliefs
- Creating a country/jurisdiction specific framework for fiduciary responsibilities
- Researching & monitoring carbon footprint exposure
- Increasing client engagement and education in ESG & sustainability
- Improving and implementing manager ESG scorecard
- Enhancing research and reporting for each asset class
- Potential development of alternative impact fund of fund
- Analysing implementation of PACTA (Paris Agreement Capital Transition Assessment) decarbonization measurement program
- Discussing with lending institutions opportunities for ESG based lines of credit
- Promoting “Meatless Mondays” at the office to encourage non-meat meals one day a week for health benefits and healthy environment

In the upcoming months we will continue to engage and collaborate with Industry organisations and leaders in ESG & Corporate Responsibility thought.

From a longer-term strategic standpoint, we look to be an active contributor and leader in representing the best interests of our clients. Engagement and leadership in industry conversation is the best way to stay informed and help shape the future of our industry and our world as responsible global citizens.

We will continue to explore impact investing, to include potential for thematic investments, particularly in alternatives. Innovation and entrepreneurship may be increasingly focused on green tech or other new fields with exciting new companies and attractive exit opportunities. Opportunities exist in real estate and infrastructure that can reduce the environmental impact and have positive social impact. Innovations may improve impact to other sectors through reconfiguring food supply chain, transportation or repurposing of obsolete building stock such as unused malls to provide affordable housing, more relevant retail, medical office space, senior housing, student housing

and last mile logistics.

We recognise that generating long-term sustainable returns is dependent on stable, well-functioning and well governed social, environmental and economic systems. The financial community can no longer ignore that thorough research, analysis and evaluation of ESG issues are a fundamental part of assessing the value and performance of an investment over the medium and longer term.

We encourage investors looking to implement a responsible investment strategy to join SECOR in developing their own beliefs on responsible investment and incorporating Environmental, Social and Governance factors into their investment program and setting these building blocks as the foundation for a lasting ESG program.

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