SECOR | ASSET MANAGEMENT

UK Stewardship Code

SECOR Annual Report for

1 January 2023 to 31 December 2023

Contents

Introduction

Welcome to SECOR's annual Stewardship Report for 2023. This report explains our responsible investment beliefs and approach to Stewardship as an investment advisor and fiduciary manager, and seeks to demonstrates our commitment to the 12 Principles of the 2020 UK Stewardship Code. This report demonstrates our adherence to the Code by describing our philosophy, policies, and processes and provides a reporting update covering the period from January to December 2023.

SECOR considers that effective stewardship encompasses the responsible allocation, management and oversight of capital with the aim of creating long-term value for clients and beneficiaries and leading to sustainable benefits for the economy, environment, and society. We recognise and support that the UK Stewardship Code 2020 sets high standards in the advancement and implementation of investor stewardship.

As a boutique independent adviser and fiduciary manager to a broad range of asset owners, both in the UK and other jurisdictions, we recognise that a key part of our role is to help our clients fulfil their fiduciary responsibilities. SECOR's ESG Investment Beliefs (to be further described in the report) are the foundation of our approach to ESG and stewardship. Despite being relatively a small organization, we recognise that we have a role to play in the industry and seek to collaborate and engage with investment managers and other parties to support and encourage the highest standards of stewardship.

SECOR does not invest in companies directly; instead, we provide advice on and select third party investment managers and funds based on each of our clients' specific requirements. Our clients invest in a range of active and passive funds, and across a wide range of asset classes and jurisdictions.

Investment managers recommended and selected by SECOR are expected to integrate responsible and sustainable investment considerations into all aspects of their investment process, and to adopt high standards of governance and stewardship as part of their voting and engagement practices.

SECOR has a bespoke approach to advisory and fiduciary management, where we work with each client as an extension of their existing team. We work collaboratively to develop an ESG and Stewardship policy that's aligned with their investment needs and ESG views.

This year, we have invested considerable time and resources to further develop our approach to sustainable and responsible investment by:

- Formalising various roles and related responsibilities across the team, including the appointment of a Chief Sustainability Officer and a leader for Responsible Investment Research
- Identifying priority themes around which to focus our engagement and collaboration activity including climate change, biodiversity, and diversity, equity, and inclusion (DEI)
- Setting an objective and high-level journey plan for our 'default' approach to portfolio construction with the aim of being Net Zero by 2050;
- Expanding our annual manager ESG questionnaire to include a range of detailed questions to help us carry out more a detailed assessment of our managers' approach to voting and engagement in relation to our priority themes;
- Researching a wider range of asset classes, managers, and funds with sustainable and impact objectives and characteristics;
- Reviewing the market with a view to appointing a third-party data provider; and
- Expanding our range of ESG reporting and the metrics we cover.

In the coming months and years, our plans and priorities include:

- Identifying and seeking to become a member of select industry bodies and groups where we feel we can make a meaningful contribution;
- Extending the range of and total assets invested into Impact and other sustainable mandates;
- Further work to develop and implement a 'default' Net Zero journey plan; and
- Potential appointment of a third-party data provider.

In this report, we highlight our accomplishments as well as our plans and aspirations for our ongoing sustainable and responsible investment journey.

Tony Kao
Managing Principal

Purpose and Governance

Principle 1

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Our Business

SECOR Asset Management is a boutique, independent, investment advisory and risk management solutions firm launched in 2010 with offices in New York and London. Our team consists of fifty (50) members with 11 in London and 39 in New York (as of 31 Dec 2023) and we have total client assets of approximately £27.0 billion[1].

Global firm with offices in London & New York

c£27bn[1] *Total client assets*

2010 *"Spin-off" from General Motors Asset Management*

Broad employee ownership

Investment Advice

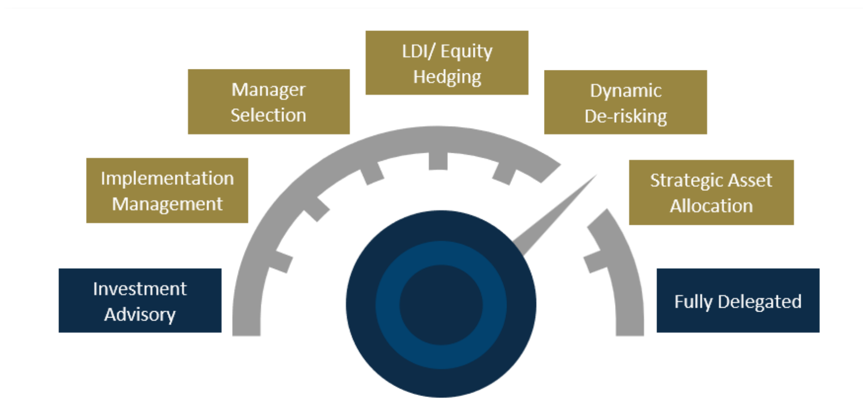
- *Investment strategy reviews*
- *LDI benchmarking*
- *Manager research*

Implementation solutions

- *LDI management*
- *Equity downside protection & FX*
- *Asset allocation, implementation & re-balancing*

SECOR serves as a partner or extension of our client's in-house team where bespoke and flexible investment solutions are tailored to their unique needs.

With SECOR, asset management does not have to be "all or nothing". Our clients can "dial up or down" the degree of delegation to suit their governance budget.



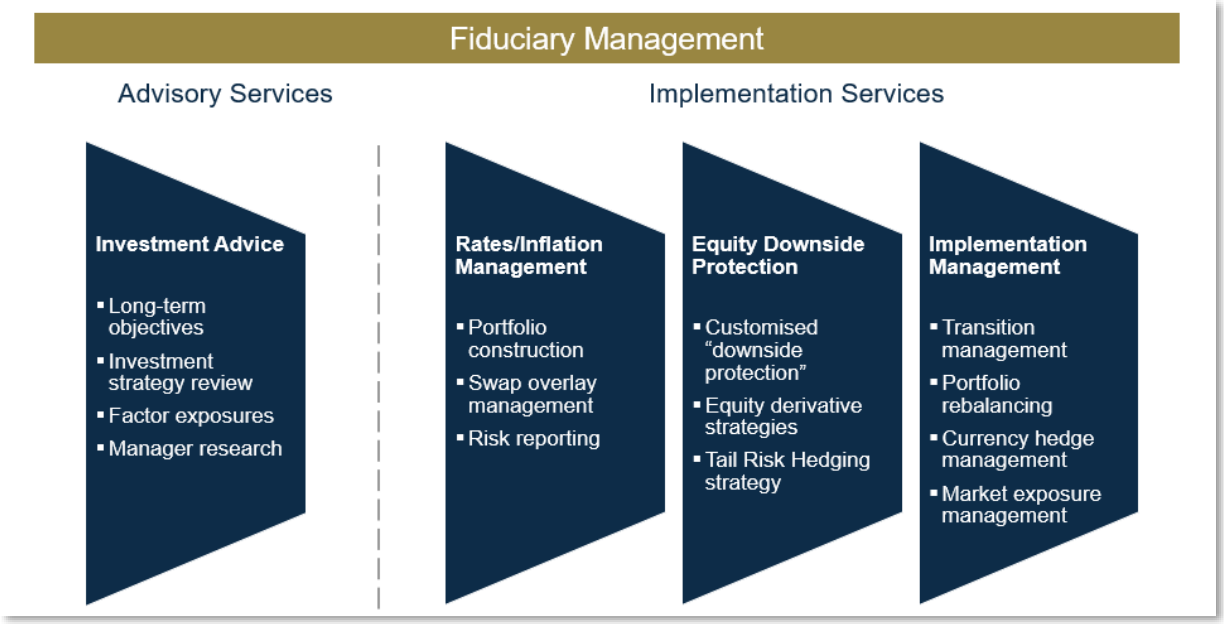
[1]The firm's Total Client Assets reflects assets under advisement, assets being hedged by SECOR, and fund strategies assets under management, comprised of £10.5B in assets under advisement, £16.4B in assets being hedged by SECOR, and £0.1B in fund strategies assets under management as of 31 Dec 2023.

Our purpose

Our purpose is to deliver bespoke, innovative, and value adding investment advice and solutions, including fiduciary management, to institutional investors including pension funds, foundations, endowments, insurance companies, and family offices. We support clients in setting, implementing, and monitoring their investment strategies with the aim of meeting their goals and fiduciary responsibilities. Stewardship plays a key role in this.

SECOR does not invest in companies directly nor does it directly engage with issuers; instead, we evaluate and select third party managers and funds based on the needs of our clients. SECOR may provide bespoke funds, or fund of funds, through which clients can access one, or a combination of, such managers.

We combine our independent investment advisory services and innovative portfolio solutions capabilities to deliver a delegated offering that is fully customised



Our culture and values

Our culture puts the client first. SECOR's heritage and pedigree is derived from being an in-house pension investment team. We know and understand the challenges our clients face and have built a business to solve them. Our client first culture and high ratio of staff to clients is distinctive, in that our primary focus is on doing the 'right thing' for each individual client, rather than on driving economies of scale.

SECOR is committed to being a responsible investor and a good corporate steward of our clients' assets. We consider this to be an integral part of our corporate identity, and believe it is critical to running a successful business and providing the best investment advice and solutions for our clients.

We consider that it is possible to "Do Good while Doing Well" by incorporating responsible investment principles and environmental, social, and governance factors into our advice and investment processes.

SECOR is also committed to doing the 'right thing' for our people and for the communities we work within. Examples of this in practice include:

- Our commitment to providing a living wage, and to maintaining a diverse, equitable, and inclusive work environment;
- Our employee wellbeing program (i.e. health care benefits, "Wellness Wednesday");
- Our approach to corporate responsibility including recycling, reducing energy use, and to supporting charitable activities; and
- Our net zero ambitions, both for ourselves as a business – we have been operationally net zero since 2021 – and also in relation to the assets that we advise on and manage on behalf of our clients – where we support the aims of the Paris Agreement.

Our aim has been and will continue to be to create and maintain an open, inclusive, and equitable work environment where people can be their best selves every day. We encourage debate, challenge, and the raising of new ideas, both internally and in our interactions with clients. We consider that this approach and environment is most likely to lead to the best possible outcome for our clients.

Our business model and strategy

Our business has been structured to provide clients with a high touch, partnership style approach to the provision of our services. We seek to understand the particular preferences, circumstances, and objectives of each client, and deliver a bespoke solution to meet their needs.

Our aim is to grow our business at a pace which will allow us to sustain the quality and frequency of our interaction with clients, and to seek new clients which will appreciate and benefit from our more sophisticated and 'hands on' approach. We consider that this is consistent with our aim of delivering the best possible result and experience for both our clients and our employees.

Recognising that as a relatively small business we have limited resources, our strategy for integrating responsible investment and ESG considerations into our business and processes is to implement a matrix like structure. This encompasses named senior individuals who are responsible for key roles and functions, combined with all employees having a role to play in the day-to-day delivery of this aspect of our service.

In relation to stewardship more specifically, our strategy is to focus our time and effort where we believe we can have the most influence and greatest impact on achieving a positive outcome. To that end, we have identified four priority themes and related ambitions to guide our activities (further explained in Principle 7).

Our approach to responsible investment

SECOR's primary focus is on helping our clients to achieve their long-term objectives, while leaving room to potentially add value with active management.

We consider that:

- One size rarely fits all, and every client should have their own customised investment portfolio;
- An open architecture approach offers maximum flexibility to choose what we believe are best-in-class managers and solutions for every part of the portfolio;
- Downside risk should be carefully considered and managed; and
- Risks which are not expected to be rewarded should be eliminated wherever possible through diversification and hedging.

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

Responsible Investment Principles

Based on the above ESG beliefs, we have developed a set of Responsible Investment Principles which are outlined below:

1. Portfolios should incorporate a balanced and well diversified range of potential sources and drivers of future return (including ESG factors);
2. Unrewarded risks (including ESG related risks) should be avoided or hedged wherever possible and cost effective to do so;
3. A meaningful proportion of return seeking portfolios (e.g. up to 20%) should be comprised of mandates which seek to support and benefit from ESG related opportunities (while also taking account of other / more traditional investment considerations);
4. All other relevant mandates should fully incorporate ESG considerations as part of the investment and reporting process;
5. Exclusions, with the exception of those required by law or regulation, are best considered at individual manager and mandate level to ensure that they are consistent with the specific role and investment philosophy for the allocation;
6. Private markets and/or actively managed mandates are most appropriate when seeking to benefit from ESG related opportunities and manage ESG related risks (since it is only possible to beat the market with information that is not already in the price); and
7. Time and effort spent on ESG considerations should be focused on activities which we believe ‘make a difference’.

We acknowledge that incorporation of these beliefs and principles can take many forms and will be impacted by asset class, investment style, and other investment mandate specific factors.

The role of stewardship

SECOR’s above stated approach to responsible investing, ESG Beliefs and Responsible Investment Principles guide our stewardship, investment strategy and decision-making. We consider that stewardship plays an important role when seeking to invest responsibly and manage ESG risks, and that it can help enhance value for clients with longer-term investment timeframes. Consequently, we consider that effective stewardship is in the best interests of our clients.

We further consider that our managers are typically best placed to prioritise particular engagement topics and to determine how votes should be cast by security; they are expected to have detailed knowledge of both the governance and operations of the companies and issuers they invest in and should therefore be best placed to engage on topics and vote in a way which is most likely to add value for each security.

We recognise however, that we have an important role in monitoring our managers' activities and promoting best practice.

Effectiveness at serving best interests of clients

The client's assessment of SECOR's effectiveness occurs in several ways from informal regular interactions to formal annual evaluations. Regular engagement between SECOR and our clients range from weekly or ad hoc interactions or quarterly investment meetings and reporting to more formal annual surveys/assessments or pension regulatory mandated reviews. These on-going client interactions and reviews let us know how effective our clients believe we have been at serving their best interests.

For SECOR, this ongoing feedback from clients illustrates a high level of satisfaction with the advisory and implementation services provided to date – evidenced through all UK and European clients having remained with SECOR since the beginning of each engagement. In many cases, initial projects and mandates from new clients have grown to encompass a deeper relationships and additional client projects or mandates.

- All existing clients have undergone competitive re-tendering processes and have retained or re-hired SECOR over other providers as their advisor or fiduciary manager of choice.
- Additionally, several clients have endorsed or referred SECOR to their peers as a trusted advisor and in large part due to their recommendation and support, SECOR has been successful in securing additional client mandates.

Further evidence of SECOR assessment is discussed under Principle 5.

Since inception, SECOR has been fortunate to have been working with UK and European clients where ESG and responsible investing have been advancing well ahead of the US. Although ESG is a complex and evolving field, SECOR's work with European clients and participation in ESG industry conversations has allowed SECOR to develop best practices and expertise to be shared with clients globally.

This collaboration of learnings between UK/Europe and US clients facilitates assessment and analysis of differences and an on-going evolutionary journey. SECOR has been able to effectively service clients by applying these learnings through tailored programs deemed most suitable for each client. An illustration of differences between jurisdictions, regulatory governance and differing beliefs impacting SECOR's diverse client base is presented in a paper comparing the regulatory regimes and the general state of ESG investing. (SECOR Viewpoint: "ESG and Pension Plan Fiduciary Responsibility – Europe vs US"). This piece describes the different conclusions on the suitability of incorporating ESG in US and Europe, but a consistent theme for asset owners and advisors is stewardship and the fiduciary responsibilities in performing and serving the best interests of clients.

> "As fiduciaries and investors, we believe risk and return considerations are the paramount objective, but ESG considerations are an indispensable complement for optimal investment decisions." [2]

[2]Link to SECOR Viewpoint: https://www.secor-am.com/en-us/esg-and-pension-plan-fiduciary-responsibility-europe-versus-us/

Principle 2

Signatories' governance, workforce, resources, and incentives enable them to promote effective stewardship.

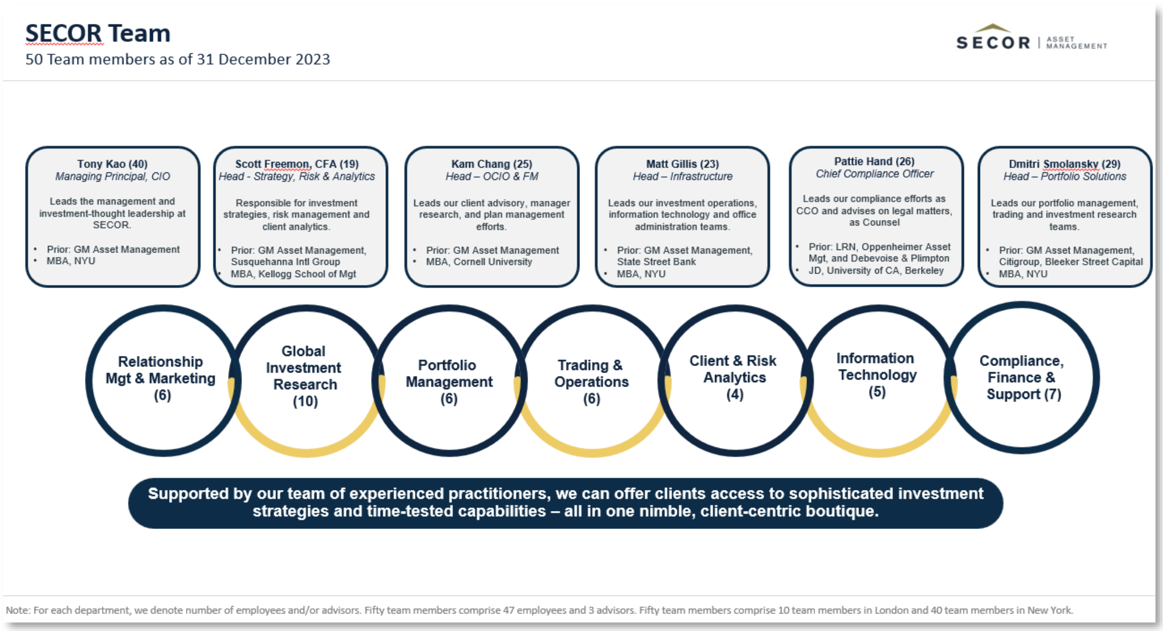
Governance and Organisation

SECOR considers stewardship and governance to be a fundamental part of our corporate identity, and we believe its incorporation is critical for running a successful business and providing the best investment advice and solutions to our clients. SECOR is a privately owned firm with broad employee ownership, where our governance structure and processes have enabled oversight and accountability for effective stewardship aligned for the success of our clients. (please see Appendix A for team biographies)

Responsibilities and Governance

SECOR's executive management team (Figure 1, SECOR Management Team), led by Tony Kao, Managing Principal and CEO/CIO, is responsible for the corresponding teams and actively oversees, manages, provides guidance and sets expected standards of Stewardship for SECOR on behalf of our clients.

Figure 1 SECOR Management Team



We believe that our adopted governance structure, which has evolved since the firm's founding, is best suited to achieve firm's goals base on each members' experience and skillsets.

SECOR as an independent, boutique firm does not have layers of management hierarchy. SECOR's CEO/CIO has led our ESG efforts since 2017 providing overall responsibility and strategic direction on stewardship and ESG.

He is the Chair of the ESG Committee and is supported by key senior members including SECOR's most senior stakeholders (Investment Approval committee members, asset class heads) and the Responsible Investment Team. High level ESG beliefs, principles, and strategy are the responsibility of SECOR's ESG Committee which comprised of:

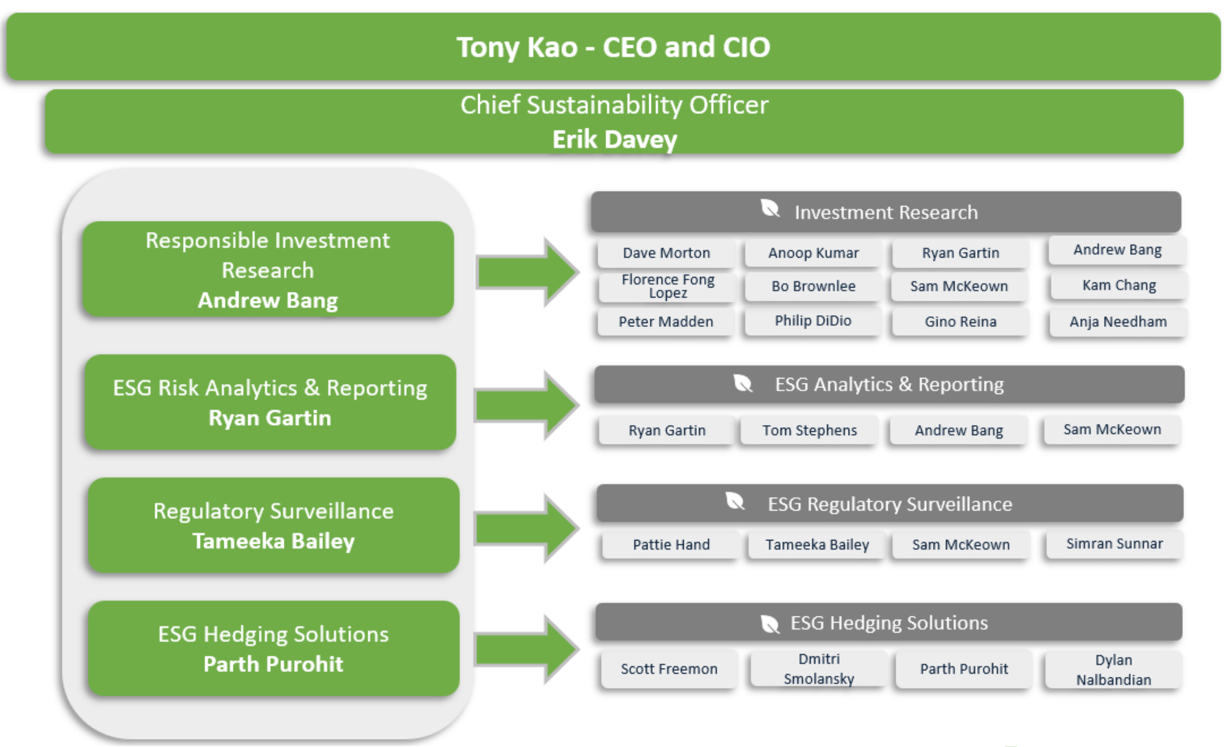
- **CEO and CIO**
- **Chief Sustainability Officer**
- **Head of OCIO and Fiduciary Management**
- **Head of UK Investment Strategy**

The ESG Committee added the Head of UK Investment Strategy, Dave Morton, who joined SECOR this past year. He brings ESG experience from a previous firm and has provided valuable insight and perspective to the SECOR Responsible Investment team.

As a relatively small and flat organization, the firm has been structured such that everyone is expected to integrate stewardship and ESG considerations into their day-to-day activities, with oversight and guidance provided by key senior individuals.

The below organisation chart depicts the roles and responsibilities of these key individual and shows how they link in with our various teams and functions. We believe this approach allows for effective integration of stewardship activities across our investment advice, research and solutions teams.

This past year, upon review and assessment of existing structure and processes, to strengthen and better align responsibility and governance, we have formalised responsible investing roles which includes Chief Sustainability Officer, and appointed leaders of Responsible Investment Research, ESG Risk Analytics & Reporting, Regulatory Surveillance and ESG Hedging Solutions roles.



The members of the Responsible Investment team develop and implement appropriate processes and regularly reviews these procedures to improve and effect the most appropriate implementation.

Integration of ESG considerations into our portfolios and day to day activities comprises of:

- Portfolio design, which is the responsibility of the investment strategy team
- Manager selection and oversight, which is the responsibility of the Investment Approval Committee
- Stewardship, engagement and voting, which is the responsibility of our Head of Responsible Investment Research
- ESG reporting, which is the responsibility of our Head of ESG Risk Analytics & Reporting
- ESG regulatory surveillance, which is the responsibility of our Head of Regulatory Surveillance

Regulatory Surveillance Group

Additionally, SECOR has established a Regulatory Surveillance group led by our Compliance Officer which meets fortnightly to track any updates in regulation related to ESG and other pension fund matters. We have identified multiple publicly available data sources and have built an automated search tool to collect data.

Manager Research

SECOR's manager research team is one of highly seasoned, senior team allocating to managers (CEO/CIO for nearly 40 years), providing leadership through bull, bear, and crisis markets. At SECOR, sustainable investment research is not separated or external to the core research functions; ESG and sustainable investment research responsibility is integrated within the core investment manager research team. We believe that the research experience coupled with and on-going education and engagement on responsible investing is the best and most effective approach for SECOR. Each research professional is responsible for engaging with their assigned investment managers on ESG and stewardship, but also keeps up to date with the evolution of industry trends and best practices. In order to stay current and anticipate evolving trends, the research team regularly:

- Engages internally with Regulatory Surveillance team's information on existing and pending compliance and regulatory developments in various jurisdictions
- Collaborate with industry bodies through attendance and participation at conferences and educational events
- Seek out and engages with subject matter experts in sustainability and stewardship
- Compares and conducts analysis of sustainable investment strategies and issuer engagement activity by different managers to learn from their successes/ failings and shares what they consider to be best practice

In 2023:

630+
Manager meetings

43%
Manager meetings covered ESG or Stewardship

70+
ESG or Sustainable funds/managers considered

30%
Client meetings covered ESG or Stewardship

The organisation chart below illustrates the Investment Research team and their experience and responsibilities:

SECOR – as of September 2023. Note: Numbers in parentheses represent years of industry experience.

In-house Engagement and Collaboration

At SECOR, ESG is not just a responsibility for the designated "ESG" team members as it may be the case in other organizations. SECOR employees participate in on-going ESG knowledge sharing, ESG-related projects, client support, corporate responsibility activities and bi-weekly ESG meetings. The bi-weekly meeting participants include the Responsible Investment team along with the Research teams but open to all employees. The meeting agenda is flexible enough and collaborative in nature to engage on various topics including: ESG projects, sustainable theme priorities, evolving reporting needs, availability of data/metrics, proxy voting, manager specific discussions and other related subjects.

Within the investment team, client team and support teams, all members actively participate, discuss and share best practices, projects and innovative ideas to incorporate ESG and improve overall stewardship into our investment process. Investment professionals at SECOR include having previous experience in ESG/sustainability related subject matters having worked at organisations that are signatories & members of industry-wide sustainability initiatives.

Incentives and Employee Alignment

SECOR has instituted aligned incentives in compensation, ownership and annual assessment to enable and to promote effective stewardship. Employee annual review includes Stewardship and ESG factors for consideration and are incorporated in staff overall evaluation and incentive structures particularly for corporate responsibility, advisory, investment research, and related support functions.

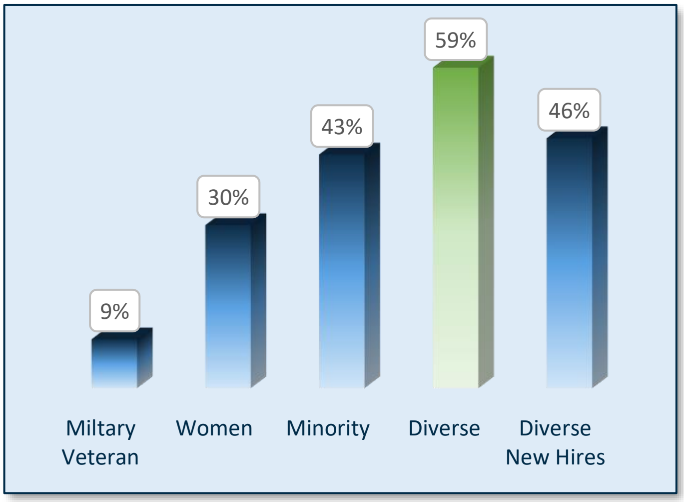
Additionally, SECOR recognises the importance of ownership structure in motivating employees and developing a firm culture of accountability, responsibility and stewardship. We believe that being a fiduciary and a good steward and those ethical characteristics are further enhanced and can be better aligned with ownership in the organization to which they belong – having "skin in the game". SECOR is in an independent firm (over 90% co-founder and employee-owned) to best ensure alignment of interests[3]. We have learned over our decades of experience that broad employee ownership, equity and inclusion provide employees with a singular focus on the overall success of the firm and achieving the best results on behalf of our clients where interests are aligned.

[3]"employee" represents Founding Principals and employee partners, outside investors own about 10%

Diversity and Inclusion

At SECOR, people are our most valuable asset, and we support fairness, compassion, representation and equality in all communities. We consider Diversity, Equity and Inclusion (DEI) as critical components of ESG considerations and that long-term success and competitiveness depend on talented, driven people and the ability to attract and retain individuals with a broad array of backgrounds.

DEI history and strategy at SECOR flows from firmwide values since the inception of the organisation where the co-founders and majority of the leadership team are of diverse backgrounds. SECOR's continued leadership in DEI is reflected in the diversity of our team. Fifty-nine percent (59%) of our organisation are from diverse communities traditionally underrepresented in the investment industry, and 43% identify as a minority[4]. Whereas recent 2020 US Bureau of Labor Statistics show that 80.5% of total securities and financial investments employees are white[5] .



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. Studies have shown that homogeneous investment teams are more vulnerable to groupthink and are predisposed to some risks. Investors should consider diversity in the investment decision-making process, as we expect a diversity of thought and talent will lead to better investment outcomes[6]. SECOR will continue to proactively recruit, retain and promote a diverse and talented team. This commitment to DEI is reflected by 46% of new hires being women or diverse background in the last three years.

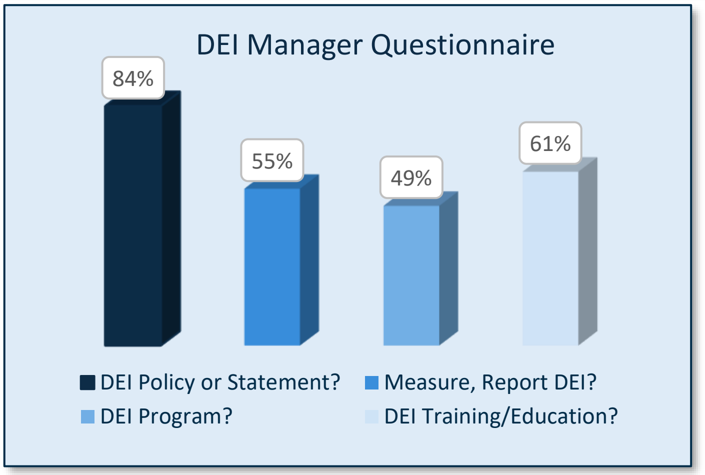
Promoting Diversity

SECOR advocates for DEI with our appointed managers initially during due diligence through our ESG and DEI Questionnaire, and on an ongoing basis during regular investment reviews, dedicated ESG meetings, and updates to our annual ESG/DEI Questionnaire. SECOR considers this as an important component of our stewardship and ESG engagement and collaboration. We believe that by having a diverse representation and demonstrating our diversity, through engaging with our managers, industry and peers, that we are promoting and contributing to broader stewardship.

Our engagement with investment managers continues to evolve, but we expect the below questions or topics to be addressed by all investment managers and service providers:

[4]Diverse includes minority, women or military veterans (includes US or other countries).2020 US
[5]Department and Labor Statistics survey of Securities, commodities, funds, trusts and other financial investments industry total employed. https://www.bls.gov/cps/cpsaat18.htmCFA
[6]Institute, https://www.cfainstitute.org/en/research/inclusion-diversity

- ✓ DEI policy or statement
- ✓ Measurement of DEI initiatives and composition
- ✓ DEI program including goals, targets and implementation
- ✓ DEI employee training and education
- ✓ Future plans or initiatives on DEI



SECOR demonstrates its authentic DEI values which we consider as being good stewards as evidenced through its diversity of the workforce, actions at the workplace, and our engagement with investment managers. We encourage others in the investment industry to join SECOR in this collaborative diversity effort.

Training

SECOR believes that training is at the heart of professional development and on-going lifelong education and personal development. In addition to mandatory, annual training, SECOR has held a number of training sessions both with specific teams and across the wider business. These covered a variety of ESG topics including general ESG industry updates, UNPRI principles and reporting guidelines, TCFD climate change metrics and reporting guidelines, principles of Stewardship codes, SECOR proprietary ESG scoring framework and other ESG regulatory or greenwashing related subject matters.

The investment manager research teams have also separately participated with managers or with industry experts on ESG/sustainability subject matters including: biodiversity, climate investing, carbon offsets, sustainable innovation in industry, industrial cold storage, solar energy programs, social/affordable housing, sustainable communities, responsible consumption and production processes, litigation financing, insurance linked investing and other subject matters. Some of the industry related events, training and conferences which SECOR members have attended include: UN PRI, P&I, MFA, CFA Society, Preqin, IPE Real Assets, PERE, HFA Association, S&P, EY and others.

Additionally, individual participation and attendance at various ESG and sustainable industry events and training is encouraged to further enhance each team members' education.

SECOR advisory team members also provided comprehensive ESG training to clients during the reporting period. Some trustee specific ESG/responsible investing related training topics have included: setting ESG beliefs, regulatory requirements, sustainable investing themes, SDGs, climate risk scenario analysis, and ESG metrics and analysis. Based on the needs of our clients, ESG and responsible investing training content provided to clients is tailored and updated per evolving industry trends and best practices.

SECOR will continue to implement additional on-going education and training for our team members as well as for our clients.

Principle 3

Signatories identify and manage conflicts of interest and put the best interests of clients first

As previously discussed, SECOR as investment advisor does not invest in companies directly (invest through managers and funds) nor do we choose individual investments, and we do not vote or engage directly with companies. We believe this reduces the potential for conflicts of interest as it relates to stewardship. In keeping with fiduciary responsibilities and higher-level principles, we have internal policies in place and stewardship expectations of managers and monitor their activity.

SECOR Conflict of Interest Policy

SECOR has a comprehensive Conflict of Interest policy which specifies that:

"The investment decisions we make on behalf our clients is solely in the best interests of the client – with the goal of producing strong risk-adjusted, net-of-fee returns."

We do not have a conflict of interest policy specific to ESG, but all ESG and sustainability considerations must adhere to our overall conflict of interest policies. SECOR's policies and procedures have been designed to identify and properly disclose, mitigate, and/or eliminate applicable conflicts of interest. We believe SECOR has taken reasonable steps to identify and mitigate conflicts of interest in the best interest of our clients.

However, written policies and procedures cannot address every potential conflict, therefore SECOR employees are required to use good judgment in identifying and responding appropriately to actual or apparent conflicts. SECOR's Chief Compliance officer and staff oversees the firm's implementation of compliance of the Conflict of Interest Policy and its day-to-day oversight efforts. Our Risk Manager leads the risk management process and actively participates in client advisory and investment processes. Our Conflict of Interest Policy can be found in our firm Compliance Manual. An excerpt is below:

"Conflicts of interest may exist between various individuals and entities, including SECOR, Supervised Persons, and current or prospective Clients and Investors. Any failure to identify or properly address a conflict can have severe negative repercussions for SECOR, its Supervised Persons, and/or Clients and Investors. In some cases, the improper handling of a conflict could result in litigation and/or disciplinary action."

SECOR Conflict of Interest Policy

Some key policy highlights include:

- *requirement to disclose all investments and record where employees have control of allocation*
- *pre trade authorisation required*
- *Restricted list for any entities where there could be a conflict*
- *maintenance of internal restricted register*
- *Notification/inform client of certain potential conflicts*
- *annual training on compliance*
- *no trading in any of our clients*

Below are some categories of circumstances which may give rise to conflicts of interest:

- *Inducements*
- *Information Flows*
- *Order Handling*
- *Personal Account (PA) Dealing*
- *Outside Business Interests*

Although not all inclusive, we believe to have identified and mitigated these potential conflicts of interest related to stewardship, transparency and client fairness. SECOR's Compliance Manual addresses these topics and has established policies to mitigate these potential issues. Annual education, training and certification of all employees are conducted to reinforce these policies

SECOR's Compliance Manual and policies include additional relevant topics or policies comprising:

- Personal Account Dealing Policy
- Market Conduct Policy
- Anti-Bribery & Corruption Policy
- Independence Policy
- Best Execution & Client Order Handling Policy
- Inducement & Hospitality Policy
- Outside Business Interests Policy

These in-place internal policies and procedures address some potential conflicts such as: no front running clients, internal policies for do not trade list, and pre-clearance and restricted lists.

Acting in client's best interest

We seek to outsource the vast majority of our client's assets to third-party managers. We manage assets in-house, via funds or segregated accounts, only when we believe that a good solution is not available via a third-party manager or when the implementation of the strategy requires us to retain control (for example for risk management). Our business is broadly divided into an investment solutions component and an investment advisory component, with the advisory group driving all manager selection and implementation decisions. Furthermore, we are transparent with our clients and fully communicate if an instance requires the use of a tailored in-house fund well in advance of implementation.

We do not have separate investment advisory and fiduciary management teams which means all clients, whether they are advisory only or fiduciary management, are serviced and advised by the same team. This helps remove the potential for competing commercial objectives within the same firm.

Additionally, at times in some alternative investments, SECOR may have a seat in LP Advisory Councils where as investor members, may be able to actively engage with management on strategic matters and identify potential conflict of interest matters. (further discussed in Principle 10)

However, written policies and procedures cannot address every potential conflict, so SECOR employees must use good judgment in identifying and responding appropriately to actual or apparent conflicts. Conflicts of interest that involve SECOR and/or its Supervised Persons, and Clients and/or Investors, will be disclosed and/or resolved in a way that favours their interests over the interests of SECOR.

Fair and Appropriate Fees for Client Portfolios

SECOR's policy is to allocate investment opportunities fairly and equitably among its clients. When allocating to investment managers, we look to negotiate SECOR-wide fee terms for all our clients, whether they are advisory only or fiduciary management clients. This helps ensure that fee-savings are passed on to our clients fairly. SECOR endeavours to ensure that no client will be treated unfairly in relation to other clients in the implementation of transactions in the same or similar investments.

Fees for SECOR clients will be quoted in advance of commitment to managers, ensuring that we communicate effectively with clients and ensure honesty, transparency, and minimise the potential for misunderstandings. We receive regular feedback as part of our monitoring process for our services and cost-value of services provided, and we seek to update and re-negotiate on behalf of our clients when applicable and beneficial.

Monitoring of Investment Managers

SECOR expects appointed investment managers to have policies and procedures in place to ensure that stewardship and potential conflicts of interests are identified and mitigated. As part of the investment manager selection and due diligence process, SECOR reviews and assesses managers in relation to stewardship. SECOR expects managers to provide regular reporting of stewardship activities and instances of potential conflicts of interest as a matter of full transparency and good governance.

Case Study – Independent Risk Transfer Advisory

Background

During the recent rising interest rate environment, higher interest rates improved funding ratio and led to accelerated de-risking in many pensions. The risk transfer market has been buoyant, with increased volumes of defined benefit assets and liabilities transferring to insurance companies.

Activity

Our objective as advisor and fiduciary manager is to help our clients get to their long-term funding objectives. Our comprehensive approach to pension risk management ensures positive outcomes for clients. As a firm we are completely agnostic on whether this end game is self-sufficiency or buy-out. We recognise that we might not be seen as impartial, so we have a partnership to provide an independent perspective. We believe that this offers full transparency and avoids potential for perceived conflict of interest. The external advisor is able to provide an independent buy-in or buy-out advisory and pricing valuation to pension clients.

Outcome

The collaboration of two independent firms allows clients the benefit of impartial advice and one-stop-shop for all investment and risk transfer advice. This mitigates the potential of conflicting commercial objectives inherent in a single organisation. This program provides transparency and allows the client to work directly with the 3rd party. SECOR has developed and offers this program to avoid the potential conflicts related to advising on pension risk transfer.

Principle 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Addressing Market-wide, Systemic and ESG Risks

SECOR identifies market-wide and systemic risks based on the overall framework consisting of:

- investment beliefs and approach to responsible investing (described in Principle 1) as guide to our stewardship, investment strategy and decision-making
- consideration of the best outcome for our clients' long-term investment objectives
- where appropriate, alignment of priority sustainable themes (described in Principle 7)

We understand that as a boutique investment advisory firm with limited resources and influence, SECOR may be constrained from making substantive impact in market-wide, systematic risks to promote a well-functioning financial system. Therefore, SECOR has taken an approach to focus our efforts where we can best use our advisory role and influence to best contribute in promoting a well-functioning financial system through our work with clients and investment managers where we are most able to make an impact. We focus on risk management, including engagement with managers to understand the extent of their funds' exposure to key systemic risks, how they seek to mitigate, and constructing robust and well diversified portfolios with a range of risk premia.

Identify and Manage Risk Exposure for Our Clients

SECOR promotes well-functioning markets through careful and up to date evaluation of factors relevant to clients' mandate. Although these factors may vary, SECOR considers amongst others, climate change, transition to a circular economy, geopolitics & war, herd mentality around use of LDI and insurance as an end game solution for pension schemes as market wide and systemic risks.

As an example of a systematic risk, pension plan liabilities are affected by macro-economic factors such as interest rates and inflation, and by demographic factors such as mortality. We work closely with clients on their customised portfolios. Our top-down scenario analysis is able to reflect the macro-economic risks within liabilities and we collaborate with each of our clients' respective plan actuaries as needed to better understand the impact of climate change and other ESG risks on their mortality assumptions. The scenarios we modeled include outcomes consistent with what we consider to be key systematic risks e.g. GFC, various climate scenarios, etc.

As many of our clients have high interest rate and inflation hedge ratios, we expect that much of the risks in pension scheme liabilities associated with climate change will be hedged through LDI strategies. There are scenarios where climate change affects government spending with impact to government securities (i.e. gilts) which could have an impact on pension liabilities and funding positions. During the UK gilt crisis of 2022, SECOR's approach performed well for our clients, illustrating the benefits of our approach to risk management and portfolio construction. We have worked with clients to identify diverse risk exposure and have worked with them on equity protection, managing hedge ratios, facilitating liquidity, and climate related risk opportunities.

Regarding climate related risks and opportunities, SECOR analysis includes climate-risk scenarios that project the assets and liabilities forward based on SECOR's assumptions and how these may affect clients' investments. Our top-down analysis looks at the exposure of different asset classes to macro-economic and market factors, and in turn how these exposures may drive returns in each of the four scenarios we consider. These are:

Orderly transition: 2° C or lower scenario where emission reduction starts now and continues in line with the Paris Agreement. We have calibrated our base-case asset liability assumptions to assume an orderly transition. This enforces the view that if early action to address climate change is not taken then our capital market return assumptions may not hold.

Abrupt transition: 2° C or lower scenario where little short-term action is taken, followed by sudden action in 2030 to address climate change. Under this scenario our base-case capital market assumptions are shocked in 2030 as a result of rushed policy action, which prompts a market drawdown in response. Under this scenario we see equity markets sell-off and interest rate and inflation expectations rise.

No action: 4+°C scenario where society largely fails to address climate change. Under this scenario our base-case capital market assumptions are shocked in 2030 as markets price in the potential failure to achieve the targets set in the Paris Agreement. The drawdown in 2030 is similar to the Abrupt transition however market returns continue to decline as 2050 approaches and the worsening effects of climate change weigh on future growth.

Green bubble: A scenario where efforts to address climate change are unsuccessful resulting in a bubble and crash, followed by an attempt to effectively address climate change using the financial system. This scenario has a similar climate consequence as the No Action scenario but involves 2 severe market drawdowns. Addressing climate change requires significant investment. However, if the capital deployed to address climate change is not invested appropriately and results in artificial valuation bubbles in certain market segments, there could be a market correction in the short-term followed by a market impact like the No Action scenario.

Based on the identified climate scenarios outlined above, we are able to work with our clients to integrate these considerations into their portfolio construction and oversight processes.

Macroeconomic Risks and Market Outlook

Our economist provides quarterly reviews and updates on broad macroeconomic conditions, focusing on topics relevant to the current environment. Additionally, SECOR's Global Equities strategist, Head of Portfolio Management and other members provide regular broad market overviews and macro-market updates on the SECOR website.

These periodic reviews and updates are an effective means for SECOR to identify market-wide and systemic risks that could lead to financial loss or affect overall performance of our clients' portfolios. SECOR's team not only conducts in-house research, but we also collaborate with our investment managers to incorporate their views and those of other market participants to arrive at a balanced and broader perspective of market dynamics and risks.

This ongoing assessment of the entire market includes monitoring global macroeconomic conditions, and the global monetary outlook with respect to central bank actions and interest rate movements. SECOR also works to identify potential pockets of illiquidity or volatility and monitors technicals such as investment flows, fund flows, issuance volumes, maturity walls, and fundamentals such as earnings, defaults or distress that might provide tailwinds or headwinds. Frequent monitoring of liquidity (and liquidity profiles) for client portfolios are conducted to ensure they are able to meet margin calls on derivative positions and benefit payments particularly when capital markets become dislocated or when volatility rises rapidly. An important consideration during this review is to identify key geopolitical risks and other risks that may have an impact on financial markets.

Additional areas of coverage include, but are not limited to, the following potential sources of systemic risk:

- changes in interest rates
- currency rates
- industry specific considerations
- climate change
- government/policies/regulatory
- asset class specific considerations (e.g. credit crisis for debt, insurance pricing for insurance linked securities (ILS))
- other factors that may impact the smooth functioning of financial markets

These factors assist in identifying market wide & systemic risks and formulating a macro view for our clients. This leads to identifying areas where good supply/demand dynamics provide attractive investment opportunities for our clients and contributing to a well-functioning financial system. Through the combination of reviews, market risk and manager research engagement, SECOR seeks to promote and contribute to a well-functioning financial system and to address social risk and market wide risk. (please see Case Study – Insurance linked investment to address social risk and market wide risk)

Climate Risk Assessment

SECOR considers that climate change and climate-related risks pose a systemic risk, and that the financial impacts of climate change are likely to be driven by:

- Physical damage expected from an increase in average global temperatures, which includes availability of natural resources (including biodiversity), chronic damage (including to productivity), and acute damage (including catastrophes); and
- The associated transition to a low-carbon economy, which includes technology and policy risk factors.

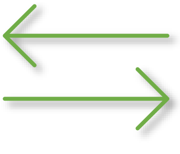
We believe that integration of ESG factors including climate-related risks and opportunities has the potential to reduce risk, protect the value of the pension plans and potentially enhance returns, through considering additional risks and injecting new insights into the investment process. On behalf of our clients, SECOR conducts climate risk assessments on their portfolios. Each year, we work closely with our clients on meeting UK reporting requirements that draw from the Taskforce on Climate-related Financial Disclosures (TCFD) to enhance pension plans' Climate Risk assessments. SECOR, as a supporter of the TCFD, is developing processes to achieve compliance for clients.

In line with the TCFD framework, SECOR conducts top-down portfolio climate scenario analysis to understand how resilient a client's portfolio is under various climate risk scenarios and we use this insight to help guide the development of the portfolio over time. (Please see Appendix C, Climate Scenario Analysis.)

This analysis begins with a climate change risk assessment of physical and transition risk and the impact of carbon on clients' investment portfolio, and then we assess potential opportunities this may uncover for our clients' portfolios.

Physical risks

Related to the impacts of climate change, such as rising temperatures, changing rainfall, flooding risk and extreme weather.



Transition risks

The risks from the realignment of our economic system towards low-carbon, climate-resilient or carbon-positive solutions.

Opportunities:

As the world seeks to address climate change, new investment opportunities could emerge allowing institutional investors to fulfil their fiduciary duty and make an impact.

Some important considerations include:

- Aggregate carbon exposure and include in Asset Class and Total Portfolio ESG Exposure and Risk Reporting
- On-going research and engagement with data providers

Climate Scenario Analysis

The world's climate is on average 1°C warmer today versus pre-industrial levels, we recognise that without strong and globally coordinated action, the world could warm above 4°C by the end of this century, resulting in catastrophic consequences for ecosystems and humanity.

We consider that climate change risk is a long-term risk, but how we address it over the short to medium term could also have an impact on markets. SECOR evaluates both physical risks and transition risks while seeking out investment opportunities.

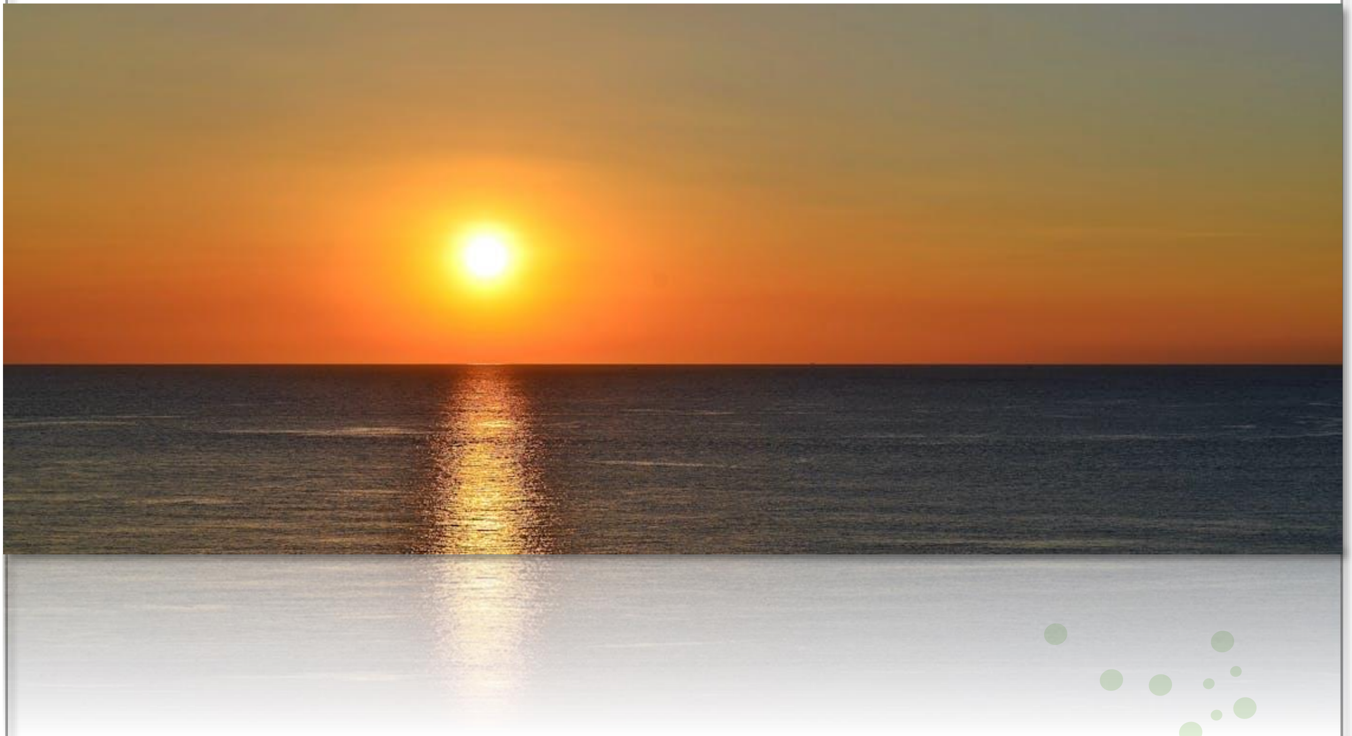
SECOR works with clients, their trustees, and stakeholders as required to conduct scenario analysis in relation to climate change risk identification, mitigation, management as overall stewardship and governance of clients' investments. Please see Appendix C and D for further information and examples of the climate risk assessments conducted and output of Portfolio Emissions Metrics.

Risks and Opportunities

SECOR has identified climate change risks and opportunities that may have an effect on the client's portfolio in the short-term, medium-term and long-term. The key risks identified can broadly be categorised as:

- risks associated with transitioning to a low carbon economy;
- physical risks from extreme weather;
- regulatory risks as world governments seek to facilitate the transition to a low carbon economy; and
- disruption in the broader economy due to climate change.

Based on the identified risks outlined above, we work with clients and appointed investment managers to integrate these considerations into the portfolio management and oversight processes.



Case Study – Insurance linked investment to address social risk and market wide risk

Background

As an investment, insurance linked strategies are a niche asset class that allow investors to gain exposure to reinsurance catastrophe risks and earn returns which are largely uncorrelated with traditional and other alternative asset classes. One of the effects of capital markets investing in this asset class is that it makes it easier for homeowners to insure their properties. This example illustrates an insurance linked strategy to address a specific systemic risk that SECOR identified as both a risk and an opportunity.

Action/Engagement

SECOR decided to reinvest in a manager whose investment approach consists of collateralised reinsurance strategies and which we have been invested with since 2018. The manager provides risk capital to reinsurers, who in turn provide risk capital to catastrophe property insurance writers. SECOR's sourcing and diligence with this hedge fund manager allowed us to better understand the insurance market, its gaps and potential risks to the financial system. Upon further engagement with the manager, SECOR determined that contributing to this strategy could help in addressing a market-wide and systemic risk while promoting social good by helping to facilitate the provision of insurance to those who may need it.

An example of an investment undertaken; the manager provided capital to Insurance Organization X, a US government-sponsored entity that insures homeowners in high-risk areas whose owners cannot access coverage or otherwise buy insurance elsewhere. This non-profit entity's purpose is to serve a social good as well as fill a gap in an insurance (financial) system.

Outcome

This investment addresses the social and financial risks posed by 1) climate change and 2) gaps in insurance market coverage. Investment in insurance linked strategies allows SECOR to achieve risk-adjusted returns while contributing to the social good and to promote a well-functioning financial system. We reevaluate the opportunity annually and have renewed the investment for the coming year. SECOR has remained consistently invested in the strategy even during an era of capital outflows not only due to our conviction in the investment manager, strategy, and performance but also for the social and market-wide and systemic risks that this investment mitigates.

Principle 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

Ensuring Fair and Balanced Stewardship Though Review

Process

SECOR reviews its policies, processes and activities on an annual basis to ensure that we continue to meet our clients' stewardship needs as well as to continue to improve upon our existing processes to ensure effectiveness of our activities. The ESG and Stewardship policies are designed to be "living documents" and expected to evolve over time. This ensures that SECOR is knowledgeable and up to date with developments in ESG and Stewardship, so that our advice to our clients are unbiased and current.

We have an established oversight structure with accountabilities and responsibilities as outlined in Principle 2 where the Managing Principal and CIO provide strategic guidance, have overall oversight and specific responsibility by the management team for reviewing our processes and activities. This is a key part of our framework for appropriate oversight, review and internal assurance over our policies and processes.

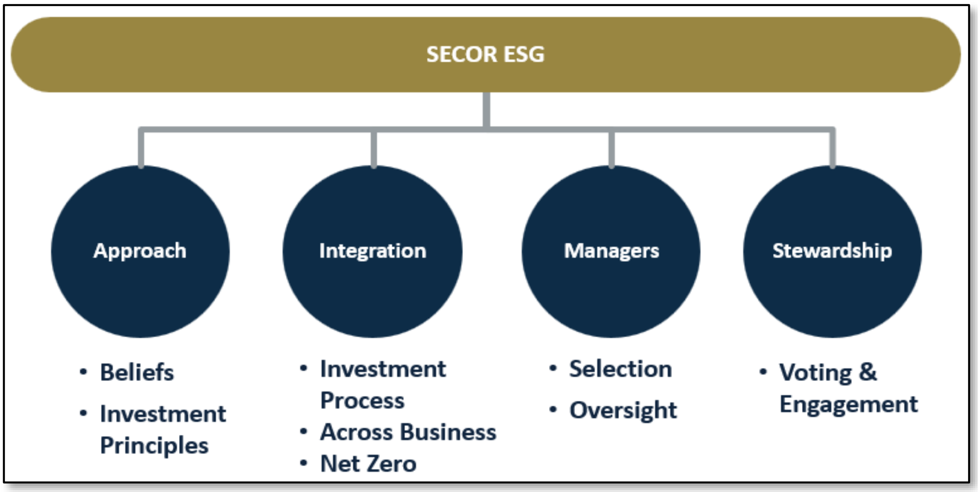
Review

On an annual basis, SECOR reviews Stewardship and ESG related policies to ensure they are up to date and in keeping with our philosophy and processes and to ensure they reflect regulatory developments and evolving industry standards. The annual review is overseen by the Chief Sustainability Officer with discussions and input from a combination of research, strategy, relationship management and new business teams to ensure all aspects and views are represented and that the resulting policies are implementable.

These documents are:

- **ESG Policy** – which sets out our ESG Beliefs and Responsible Investment Principles, together with high level details of how we expect ESG and Stewardship to be integrated into our activities and advice for clients.
- **Sustainability Policy** – which sets out the key principles and approaches used by SECOR to address sustainability risks and opportunities, and other related considerations.
- **Stewardship Policy** – which sets out our approach to stewardship (active ownership) and the ongoing oversight of, and engagement with, our clients' third-party managers with the aim of enhancing long-term value for our clients while contributing to the sustainability and health of the environment and society.
- **Proxy Engagement Policy** – which set out our approach and expectations of appointed managers in relation to exercising rights attached to investments and their engagement with debt and equity issuers.
- **Modern Slavery Act and Human Trafficking Statement** – which sets out our commitment to ensuring that our business and supply chains are free from modern slavery and human trafficking.

Any proposed changes to the policies/documents are reviewed by the entire research team and reviewed by the ESG committee. Final review, approval and assurance is provided by the CIO and legal & compliance and then shared with the wider business. The below diagram illustrates SECOR's integrated approach to ESG and Stewardship to ensure effectiveness between policies and processes.



Annually, SECOR holds a weeklong, all hands strategy, investments and assessment meeting called "Megaweek". The policies and any changes are presented and discussed during Megaweek. During this review, both UK and US teams gather to evaluate, collaborate and reflect on each team's (manager research, advisory, business development, compliance/legal, technology, etc.) accomplishments, processes and potential areas for improvement. This is a collaborative process which seeks to assess and learn from the previous year and consider improvements to policies and processes going forward. Further internal training and discussions may occur to ensure latest thinking is understood and can be reflected in everyone's day to day activities.

In this manner, SECOR formally reviews, assesses and implements improvements for the firm and each internal team's effectiveness in stewardship integrated in the overall investment framework.

Continuous Improvement

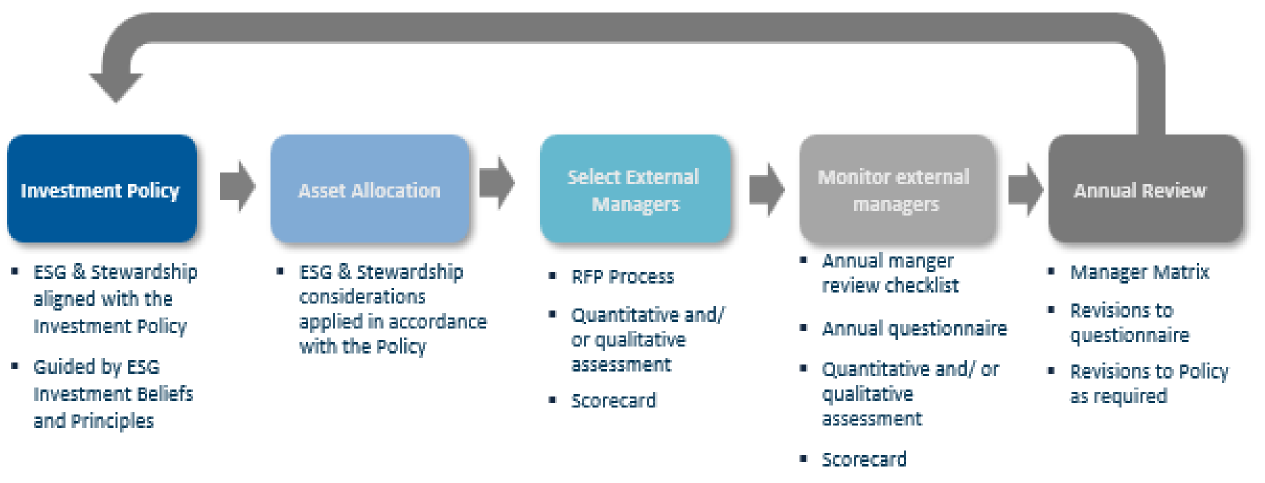
This year, our approach to ESG including Stewardship and our current effectiveness was subject to particular scrutiny in light of our pending application. As a direct result of our ongoing review and assurance process, we have implemented the following enhancements to our Stewardship and ESG program:

- Formalized responsible investing roles
  - Chief Sustainability Officer
  - Appointed leaders of following teams:
    - Responsible Investment Research
    - ESG Risk Analytics & Reporting
    - Regulatory Surveillance
    - ESG Hedging Solutions

- Created a new Sustainability Policy
- Created a dedicated Stewardship Policy
- Revised ESG Policy
- Revised Proxy Engagement Policy
- Implemented Modern Slavery and Human Trafficking Statement
- Enhanced our TCFD related Scenario Analysis Modeling
- Improved portfolio data gathering efforts from managers
- Improved Client ESG Reporting
    - ESG Dashboard
    - ESG Asset Class Reports
    - ESG Monitoring Report
- Overall manager engagement and collaboration

On behalf of Clients

SECOR works with individual clients to implement bespoke policies in line with their specific beliefs and requirements. Application may also vary depending on the degree of discretion, asset class, range of available implementation options, and other factors when considering the best approach for a particular investment for clients. The chart below outlines the Investment Policy review process for continued improvement for our clients.



Throughout the year, SECOR engages formally with client trustees and stakeholders via board meetings, quarterly and annual investment committee meetings, as well as situation-specific regular monthly and weekly investment meetings. This is to ensure that client's investment and stewardship needs, and feedback are met and evaluated for any ongoing issues or improvements. Through this close coordination, oversight, and evaluation process, SECOR and our clients ensure that stewardship implementation and reporting is effective and mutually understood.

Annual Client Assessment

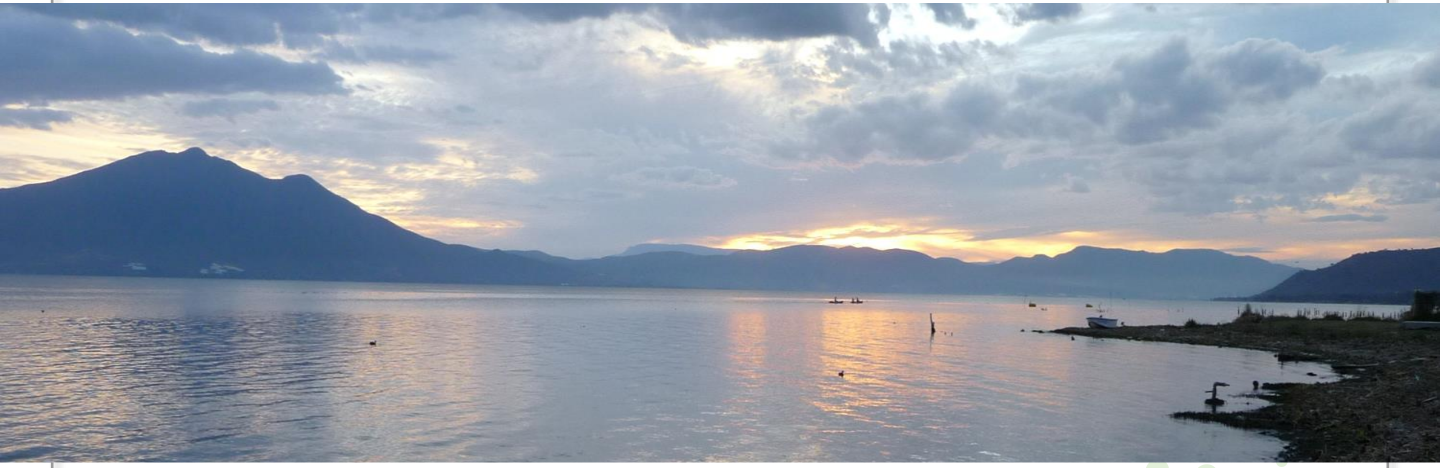
To assess the effectiveness of SECOR's activities with and on behalf of our clients, SECOR participates in an annual assessment consistent with CMA Order to ensure adherence to obligations relating to investment consultancy and fiduciary management services to pension schemes. SECOR's pension clients conduct an annual review of SECOR's performance measured in relation to peers and against their objectives and overseen by The Pension Regulator (TPR). At a high level, SECOR is evaluated on the following categories:

- Demonstration of value added
- Delivery of specialist services
- Proactivity of advice
- Support with scheme management and compliance
- Relationship and service standards
- Support with additional matters

This assessment results are shared with SECOR and further discussion conducted to ensure continuous improvement. SECOR has consistently performed satisfactorily and improved each year with our clients. As an example, a TPR evaluation report from a pension client shows SECOR's steady improvement in scoring from 81% in 2019 to 85.9% in 2023.

Other External Reviews/Assessment of SECOR

As a fiduciary manager, third party-independent intermediaries (or TPE, third-party evaluators) regularly review and evaluate SECOR's investment and stewardship capabilities. We believe this provides a robust additional oversight process. During the reporting period, we participated in approximately 50 research and diligence assessment meetings with intermediaries. In addition, we completed annual research questionnaires / due diligence questionnaires and quarterly data requests, another requested from these TPEs. We have responded to and provide annual updates to [PwC, EY, IC Select, XPS, LCP and Isio] regarding stewardship and our ESG activities, and processes.



Below are some additional areas and initiatives where we are currently evaluating further areas to improve:

Impact investing

We are currently have a framework for pursuing impact/sustainable investment strategies but look to do more investing as part of an impact investing program. SECOR's impact investing is designed to fit into an overall investment program; to assist in implementing impact goals - with an eye toward addressing client needs to meeting fiduciary responsibilities - while exploring global impact considerations through external managers. [further discussed in Principle 7]

Sustainability-Climate Change related initiatives

SECOR is currently reviewing and evaluating sustainability considerations and priorities related to Climate Change, Biodiversity and Nature Capital, Human Rights and Labor Practices, and DEI. Although not all encompassing and other issues may be added, we believe that these are important matters to delve into and prioritise.

ESG/ Responsible Investing Training

We are working to create additional opportunities for training and education in SECOR's Priority Engagement Themes- Climate Change, Biodiversity, Human Rights/Labour Practices and DEI.

Data and Analytics

Research team is conducting an on-going review of ESG data availability and analytics. Currently researching 3rd party data sources to supplement data received from managers.

Review of participation in additional industry bodies and initiatives

Consideration of joining the UN Global Compact's (UNGC) Ten Principles. Currently evaluating the Ten Principles of the UNGC into strategies, policies and procedures, and establishing a culture of integrity, to upholding basic responsibilities to people and planet, but also setting the stage for long-term success.

Investment Approach

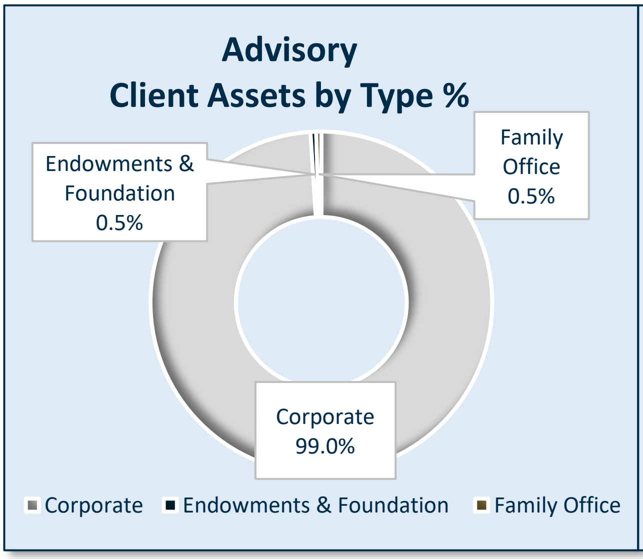
Principle 6

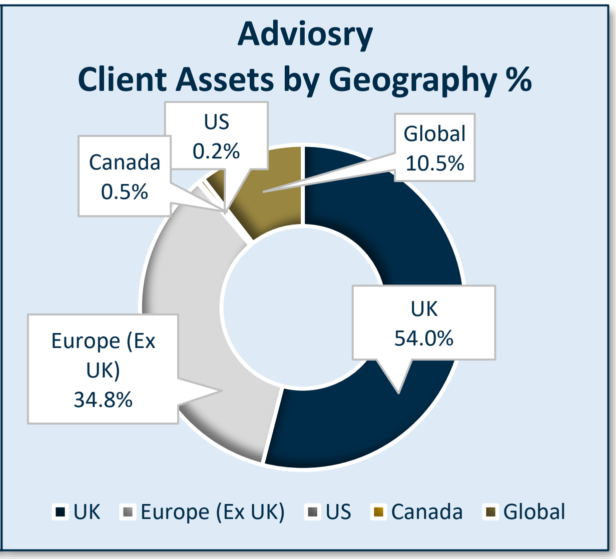
Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

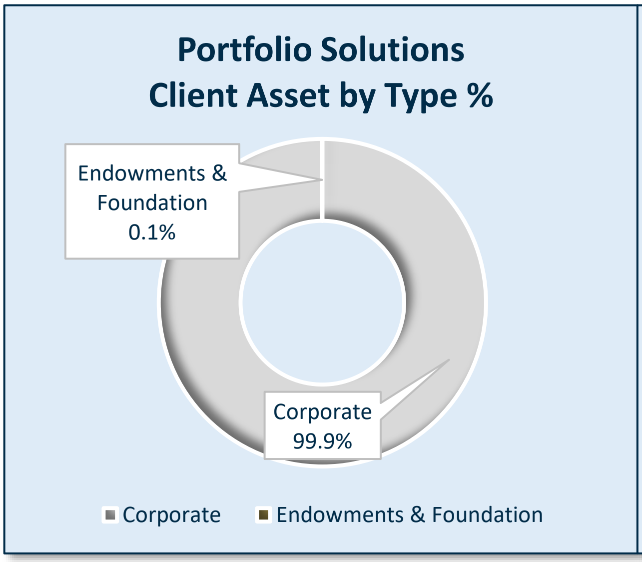
Our Clients

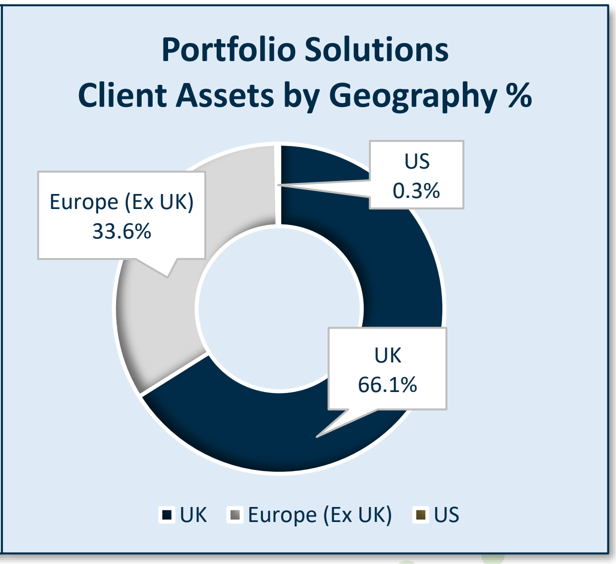
SECOR serves institutional investors in UK, Europe and the US. Our clients include 13 UK and European based institutional defined benefit pension funds and charities, and 7 N. America based institutional clients including defined benefit pension funds, endowments & foundations and a family office.

The firm looks after total client assets of £27bn as of 31 Dec 2023. This includes £10.5B in assets under advisement, £16.4B in exposure being hedged by SECOR, and £0.1bn in SECOR fund of funds structures.









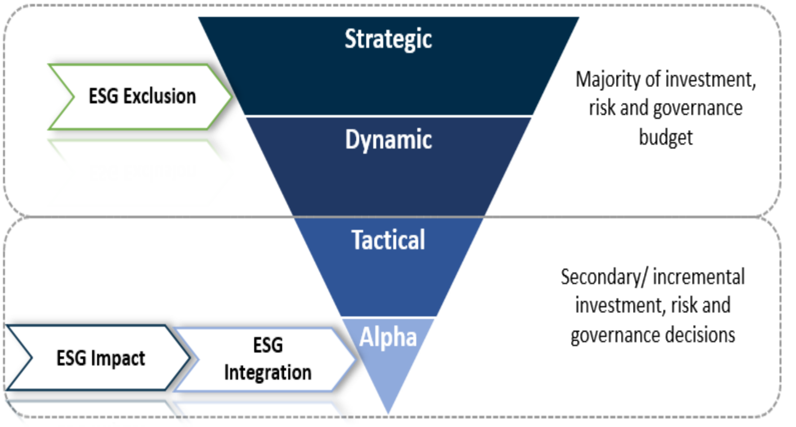
Note: The charts above reflect clients where we are contract to advise on or manage a specific portfolio of assets. Where we are engaged on a project basis, we also consider ESG and stewardship matters.

Ensuring Best Interest of Clients First

SECOR usually works with institutional investors with a long-term (10-15 year+) investment outlook, and we undertake significant initial dialog to understand our clients' return requirements, their appetite and tolerance for risk, their comfort with different types of investment and their investment beliefs, including their ESG beliefs and policy.

SECOR supports clients by working collaboratively to build customised portfolios and engage in active management through manager selection. We take account of our clients' views and needs regarding stewardship and ensure that they are reflected in our business operations, risk management programs, portfolio advisory services, and selection of managers. Our size and high staff to clients ratio allows us to implement bespoke approaches for each client when appropriate.

We work with clients to develop goals and incorporate them as part of our active management programmes (Tactical & Alpha levels in the diagram opposite), rather than as part of higher-level investment strategy (Strategic and Dynamic in the diagram below). This enables us to more fully and precisely incorporate our client's perspectives and needs.



Before the construction of any new mandate or portfolio, SECOR pursues an extensive review and analysis of the client's objectives, return and risk requirements, and any cash flow needs, to ensure that the resulting portfolio aligns with client's specific needs and preferences, including in relation to stewardship and ESG.

Ongoing Engagement with Clients

Each of our clients' approach and frequency of communication varies according to their preferences, and we have found that ways of working with each client have evolved over time as no one client's needs are same.

SECOR's onboarding of clients includes a comprehensive research and engagement process to understand and create investment, ESG, stewardship, and ethical objectives for our clients. We tailor the portfolios to address the needs of our clients, and fully communicate that with each stakeholder.

As an example, for a corporate pension client that is currently at an early stage of the ESG journey with robust ESG goals and multiple on-going ESG related projects, SECOR typically hold regular ESG focused meetings with this client. They have a particular ESG focus and project timelines that SECOR strives to support with weekly internal meetings in which discuss on-going projects and initiatives on behalf of the client.

Some of our other clients whose ESG/sustainability journey is more mature may not be as demanding. We may only engage on ESG/sustainability on a semi-annual or quarterly basis with custom reporting. SECOR is able to bring to bear necessary resources, various teams and experts to prepare a program to meet each client's requirements.

Working with Managers

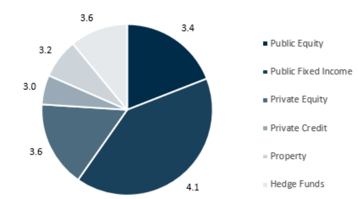
To implement client's needs, SECOR at a minimum conducts semi-annual meetings with managers, receives quarterly reporting, and seeks regular updates via calls and email correspondences. At the fund or account level, appointed investment managers are required to provide ESG reports and data that provide carbon intensity, carbon footprint or GHG emissions data as well as DEI metrics. Please see Principle 8 with additional information regarding monitoring and holding to account managers and service providers.

Stewardship Monitoring and Communications

Over the years, SECOR has developed a comprehensive ESG Dashboard for each asset class to provide clients with statistics and a snapshot view of their portfolio. This report is used to communicate with clients about their stewardship and investment activities and outcomes. The consolidated Dashboard report includes information and data gathered from manager responses to our annual ESG Questionnaire, and ESG data from the reporting they provide. Our dashboard covers managers' ESG policy, ESG incorporation in business, ESG incorporation in investment process, carbon emissions and other data points, industry engagement and other information. (please see Appendix B for sample Plan ESG Dashboard and Appendix D for sample Client Portfolio Emissions Metrics)

Sample excerpts are presented below:

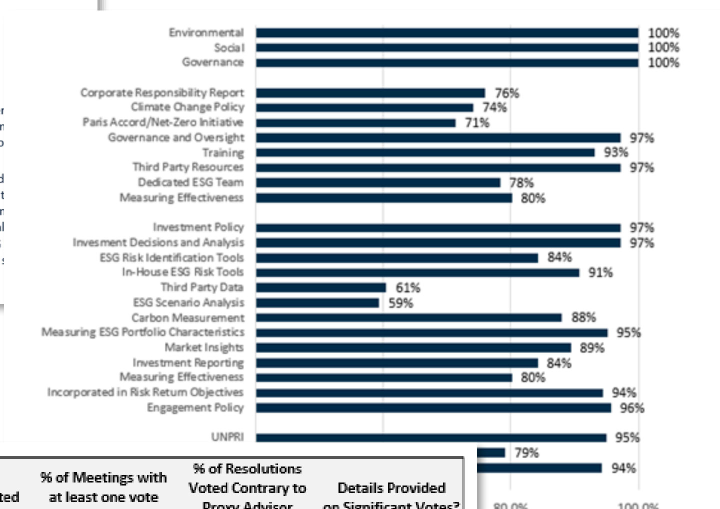
Engagement Summary



As of December 2022, 100% of the outsourced assets in the Client A's portfolio wer funds that currently have an ESG policy in place. The coverage ratio an improven previous year as those managers without a policy determined the most appro formalise their ESG beliefs and practices.

Based on the SECOR ESG scorecard assessment, the plan received an asset weighted of **3.7**, which is above average. Through a combination of a material increase in t managers embracing ESG and portfolio weight moves, the score is an improven previous year's score of **3.2**. The jump in score can be accredited to managers formal policy and integration approach, embracing more third party data providers for ESG and carbon reporting and an increase in membership of ESG aligned industry groups s UK Stewardship and TCFD.

Consolidated Asset-Weighted Portfolio of Manager Responses



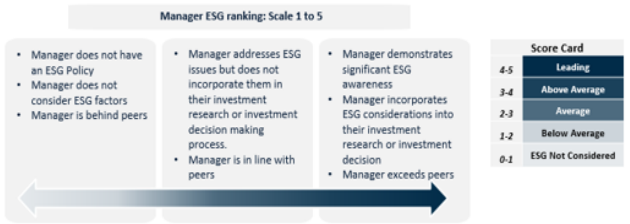
Equity Proxy Voting Status

	Voting Policy	# Resolutions Eligible to Vote	% of Eligible Resolutions Voted On	% of Meetings with at least one vote against management	% of Resolutions Voted Contrary to Proxy Advisor Recommendation	Details Provided on Significant Votes?
Manager A	Third Party Policy	1489	100%	47%	None	No
Manager B	Third Party Policy	7402	88%	42%	None	No
Manager C	Manager's Own Policy	798	99%	55%	None	Yes
Manager D	Manager's Own Policy	829	100%	46%	13%	Yes
Manager E	Manager's Own Policy	549	100%	Not Reported	4%	No
Manager F	Manager's Own Policy	5659	100%	26%	2%	Yes
Manager G	Manager's Own Policy	83	100%	83%	11%	Yes
Manager H	Manager's Own Policy	3070	99%	Not Reported	None	Yes
Manager I	Manager's Own Policy	606	99%	47%	18%	Yes

SECOR ESG Scorecard

Currently, SECOR uses a proprietary ESG scorecard process to help understand managers' progress based on a range of criteria further described in Principle 8. We are able to provide clients reporting on managers through these metrics. The aggregated reports provide a broad ESG picture by asset class for each client. These reports provide a backdrop for querying managers on what they have improved over time, the sustainability themes they have implemented in their portfolios, and an evaluation of how the portfolio ESG metrics compare against the overall investment universe in which they transact.

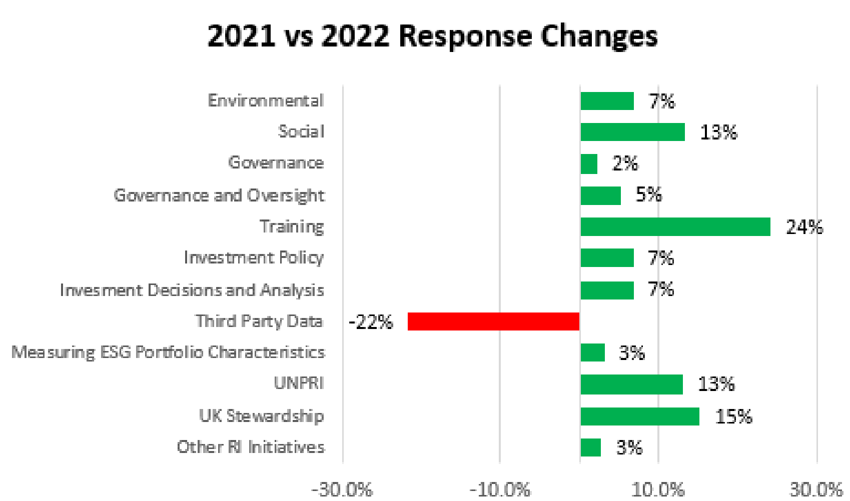
	% of Total Score	Plan	Public Equity	Public Fixed Income	Private Equity	Private Credit	Property	Hedge Funds
ESG Policy	*10.0%*	3.9	3.6	4.3	3.8	3.2	3.5	4.0
Incorporation in Business	*20.0%*	3.6	3.3	4.0	3.4	2.7	3.3	3.8
Incorporation in Investment Process	*40.0%*	3.6	3.3	4.0	3.5	2.9	3.1	3.0
Memberships	*10.0%*	4.1	3.9	4.4	4.2	4.6	3.0	4.0
Regulatory	*10.0%*	3.8	3.7	4.0	3.3	3.9	3.3	4.0
Looking Forward	10.0%	3.6	3.2	4.2	3.8	1.2	3.3	3.6
Total Score	***5.0***	**3.7**	**3.4**	**4.1**	**3.6**	**3.0**	**3.0**	**3.6**
Manager ESG Scorecard Rank	*N/A*	Above Average	Above Average	Leading	Above Average	Above Average	Above Average	Above Average



SECOR ESG Scorecard Year-Over-Changes

YoY Change	Plan	Public Equity	Public Fixed Income	Private Equity	Private Credit	Property	Hedge Funds
% of Total	0.0%	-20.6%	6.8%	6.9%	1.1%	2.1%	3.7%
ESG Policy	0.72	0.58	0.91	0.58	(0.53)	(0.33)	1.30
Incorporation in Business	0.57	0.44	0.82	0.32	(0.93)	(0.28)	0.96
Incorporation in Investment Process	0.49	0.21	0.76	1.10	(0.31)	(0.21)	0.27
Memberships	0.62	0.18	0.98	0.95	1.27	(0.65)	1.09
Regulatory	0.29	(0.05)	0.56	0.04	0.62	(0.36)	1.50
Looking Forward	0.29	(0.42)	0.80	0.66	(1.80)	(0.37)	1.30
Total Score	0.52	0.25	0.79	0.71	(0.38)	(0.30)	0.87

ESG Questionnaire Responses YoY Change



Principle 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change to fulfill responsibilities.

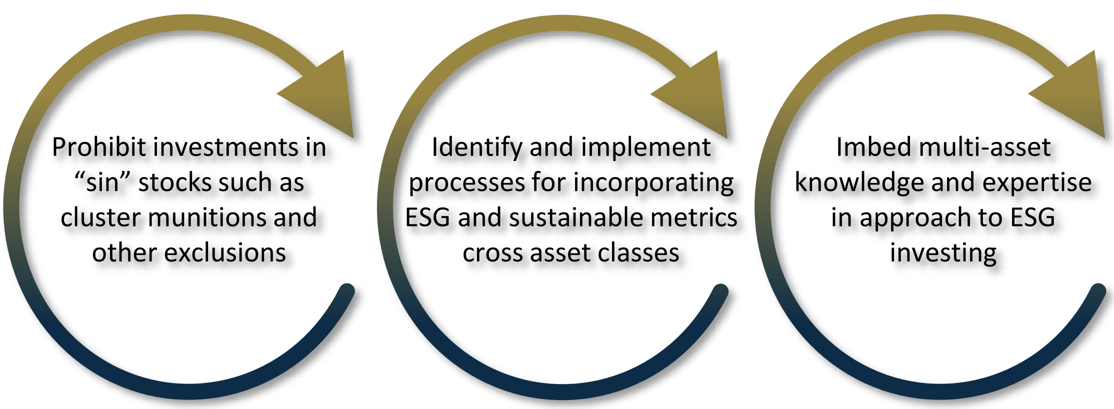
Stewardship Systematically Integrated in Investment Process

Stewardship and corporate responsibility at SECOR have been integral components of our investment process before they became mainstream. Since our firm's founding history from a corporate pension fund (spin out of General Motors Investment Management in 2010), we have focused on risk mitigation and favored managers who are well positioned to avoid stranded assets.

SECOR does not directly select individual securities; instead, it selects and combines specialist third party investment managers ("managers") to implement day-to-day investment activities, which includes voting and engagement.

SECOR is a signatory to the UN Principles for Responsible Investment (since 2020), which is globally recognised and designed specifically for financial institutions. As a signatory, SECOR is dedicated to publicly demonstrating our commitment to responsible investment.

At a basic level, SECOR has been working with clients and has experience in working with clients to:

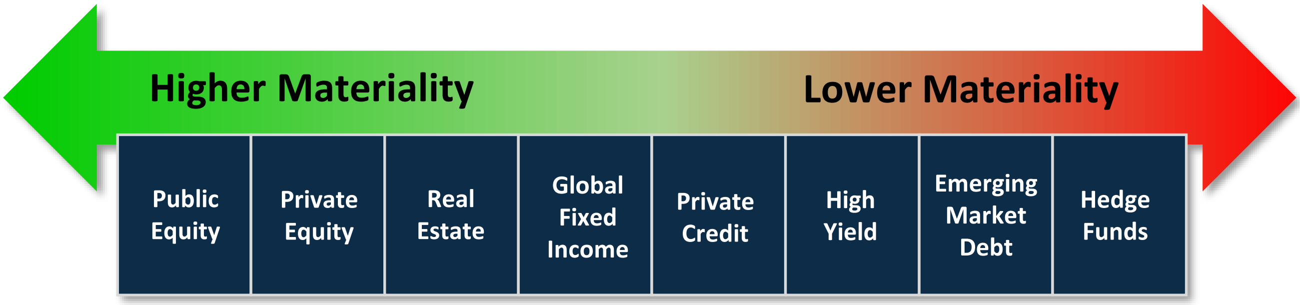


We believe that the type of asset and mandate should determine what this means in practice and that it needs to be assessed on a case-by-case basis.

Considerations by Asset classes

While there are common tools that can be used to influence behaviour in regard to ESG incorporation, their use varies by asset class, sector, and geography. Therefore, we do not expect a uniform approach across all asset classes and managers.

SECOR believes it is important to understand how ESG considerations can be incorporated across asset 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 determine how influential the asset owner can be. When these factors are taken into consideration, SECOR believes there is a spectrum of ESG utility by asset class as shown in the preceding table.



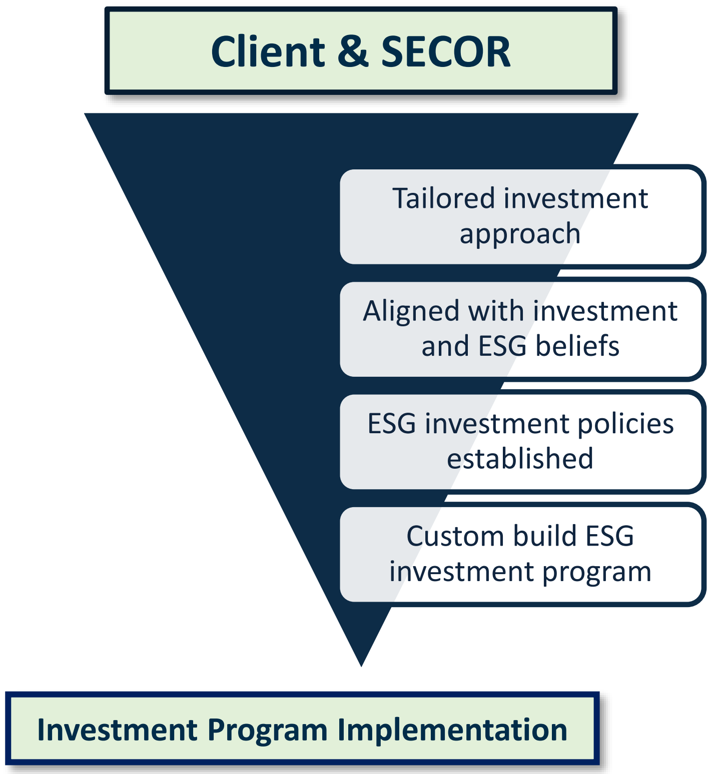
We believe that, within public markets, ESG is most material in public equities, as the asset owners have the highest degree of control and influence (through shareholder rights) and experience the most significant economic impact due to its subordinated place in the capital structure. However, prudent diversification within portfolios and diversified ownership of public businesses can limit the influence a single holder can have without collective action.

In private markets, it is easier to implement Impact Investments since individual investors have greater control and influence. Further, ESG factors tend to have a greater impact on the long-term risk and return of these investments. Control can be exerted through active ownership, high engagement with company management, and concentrated ownership stakes. Access to private markets presents investors with a unique opportunity to execute their ESG goals in a more direct manner than afforded by public markets as, in addition to the above, they are not held to the same strict benchmarking and portfolio construction requirements as public markets managers.

Bespoke Approach - Integrated

SECOR has a bespoke approach to advisory and solutions where we work with each client to develop an ESG and Stewardship policy that remains flexible and aligned with each client's investment needs and sustainability views as determined by stakeholders.

We believe that each client should adhere to ESG integration as many jurisdictions and countries are requiring ESG implementation or considering regulatory oversight of ESG factors. With an aligned ESG and Stewardship framework and governance approach, we then approach the investment program by incorporating climate change and ESG factors into the investment process and implementation. In each case, SECOR collaborates with the client and managers to identify climate-related risks and opportunities that may have an effect on the client's short-term, medium-term, and long-term investment horizon.



Integration Framework

SECOR's approach to sustainable investment and impact is flexible and determined by in depth-discussions with our clients to identify strategies suited to their needs. We invest in managers across all major global markets and asset classes.

SECOR's Framework for Sustainability – Evolution & Improvement

Sustainability

SECOR as signatory to the UN Principles for Responsible Investment (since 2020) is dedicated to publicly demonstrating our commitment to responsible investment. We agree with and support the UN Global Compacts' principles on human rights, labour, environment and anti-corruption and societal goals, and we have incorporated these principles of Environmental, Social, and Governance (ESG) as part of our approach to ESG. SECOR recognises the 17 Sustainable Development Goals (SDGs) of the UN Global Compact and, as appropriate, reviews and considers managers and investments in part based on the factors highlighted by the SDGs.

SECOR also recognises the 17 Sustainable Development Goals (SDGs) of the UN Global Compact and, as appropriate, reviews and considers managers and investments in part based on the factors highlighted by the SDGs.

We recognise that there is a wide range of potential ESG and climate-related risks and opportunities (CRRO) which could affect the value of our clients' assets. These include, but are not limited to:

Environmental Risks

- Climate change
- Water
- Waste and pollution
- Biodiversity

Social Risks

- Labour standards
- Human rights
- Health and safety
- Social inequality
- Demographics/consumption
- Cost of living

Governance Risks

- Board composition and effectiveness
- Executive remuneration
- Conduct, culture and ethics
- Shareholder rights

In SECOR's view, integrating these and other sustainability considerations into our investment approach is more likely to create and preserve long-term value. More specifically, we consider that investment implementation should reflect that:

- Sustainability and ESG factors could be a material driver of future risk and return;
- Climate change poses a systemic risk, and both transition and physical risks should be considered;
- Effective stewardship can help enhance long-term shareholder value;
- Identifying key sustainability themes and trends is likely to improve risk management and help identify opportunities; and
- Sustainability considerations are best addressed as part of the active management of portfolios.

Climate Change

SECOR considers that climate change and climate-related risks pose a systemic risk, and that the financial impacts of climate change are likely to be driven by:

- Physical damage expected from an increase in average global temperatures, which includes: availability of natural resources (including biodiversity); chronic damage (including to productivity) and acute damage (including catastrophes); and
- The associated transition to a low-carbon economy, which includes: technology and policy risk factors.

SECOR recognises that limiting global average temperature increases to "well below two degrees Celsius", as per the 2015 Paris Agreement, is likely to be aligned with the best economic outcome for long-term diversified investors.

SECOR supports this end goal, and we plan to increasingly structure portfolios with the aim of supporting it (where this is also consistent with meeting our client's wider investment objectives).

SECOR's aspiration is to achieve net-zero absolute carbon emissions by 2050 for UK and European clients with discretionary portfolios. To help achieve this, we plan to reduce our discretionary clients' portfolios overall contribution to carbon emissions by at least 45% from 2019 baseline levels by 2030. We will also encourage non-discretionary clients to work towards these aims where they are compatible with their overall objectives.

SECOR's approach to managing climate change risks is consistent with the framework recommended by the Financial Stability Board's Task Force on Climate related Financial Disclosures (TCFD). SECOR appreciates that the risks and opportunities arising from climate change are diverse and continually evolving.

Priority Themes & Issues

SECOR believes that the United Nations Sustainable Development Goals (SDGs) represent the interconnected global challenges across social and environmental issues and related investment themes. SECOR supports the SDGs and recognises the need for investment towards achieving them by 2030. To ensure an appropriate allocation of time and resources, SECOR has identified four priority themes to focus on.

Climate Change
Related financial impacts are driven by the associated transition to a low-carbon economy and the potential physical damage of different climate outcomes. A well below 2C scenario is both an imperative and an opportunity.

7 AFFORDABLE AND CLEAN ENERGY
11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION

Human Rights & Labour Practices
Workforce and supply chain safety and human rights practices should avoid contributing to modern slavery, exploitation, and other human rights abuses – these can contribute to economic instability, the threat of social tension, and subsequent political instability. Economic growth should be a positive force for the whole planet.

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH

Biodiversity
A flourishing ecosystem is the foundation of our life on this planet, and necessary for the success of the global economy. Promoting sustainable use of our land and water and preserving biodiversity is key to our own survival and prosperity.

14 LIFE BELOW WATER
15 LIFE ON LAND

Diversity, Equity and Inclusion
In addition to being the right thing to do, we believe diversity, equity, and inclusion throughout the global economy is likely to help create better outcomes and solutions.

5 GENDER EQUALITY
10 REDUCED INEQUALITIES

We consider that these themes are key to achieving a sustainable global economy. We believe that by focusing on these themes, we will be better able to influence and support positive outcomes, whether by engaging with our managers or by joining like-minded investors in a collaborative effort.

While we will also consider a range of other ESG issues depending on the asset class and nature of the mandate, we expect that the insights gained in relation to these themes will provide a good understanding of how the manager views and approaches sustainability issues when constructing portfolios.

Framework Evolution

SECOR is a net-zero carbon emissions firm where we offset our carbon emissions when unable to reduce/eliminate and we have worked with clients to advise and publish TCFD reporting. SECOR is committed to collaborating and remaining actively engaged with our clients, managers, and the industry in ESG and sustainable investing endeavours.

Our enhanced ESG capabilities are integrated in our risk, return and implementation considerations, including scenario analysis, developing impact and sustainable investing programs, and improving our manager & portfolio monitoring/reporting programs. These reporting improvements are benefiting our clients through deeper engagement on ESG considerations and analysis of their portfolios.

Service Providers

As further described in Principle 8, SECOR ensure service providers have received clear and actionable criteria to support integration of stewardship and investment, related to material ESG issues. All investment manager recommendation memos presented to SECOR Investment Approval Committee must incorporate a section on the manager's ESG philosophy and capabilities. Going forward, we will aim to also include a specific explanation of why the research team believe the proposed investment meets or exceeded our expectations for the asset class. SECOR also ensures that the manager will provide transparency in the form of ESG reports as described in Principle 6.

Case Study – UK Based Charity

Background

Through a competitive tender, SECOR was recently appointed as the Fiduciary Manager for a relatively small but well-known UK Charity. It is extremely important for the Charity to ensure its investment portfolio is aligned to its core beliefs and values, in part to reduce reputational risk. Hence the significance of considering ESG factors whilst investing. With SECOR's assistance, this ultimately led to the Charity creating Ethical Guidelines incorporating material sustainability and responsible investing factors and implementing that bespoke investment program.

Action

As with our other clients, this Charity has long term horizons and as such we sought to align the mandate design with long term value creation. We believe that the best approach to ESG depends on each individual client's beliefs and circumstances, and we customise our approach and resulting portfolios accordingly. SECOR worked closely with the client during the on-boarding process to help develop their Ethical Guidelines, and correspondingly align the investment policy in order to design and implement an investment portfolio. Their Ethical Guidelines are the framework and foundation to systematically integrate stewardship by incorporating ethical and sustainability themes and also included prescriptive restrictions in the following areas:

- Tobacco & Vaping
- Unconventional Oils
- Thermal Coal
- Natural Gas
- Specific countries

This portfolio incorporated their sustainable and ethical goals through selecting suitable fund managers meeting investment return objectives, risk tolerance, and benchmarks as appropriate. We have and will continue to work collaboratively with the Charity in relation to:

1. Implementing the Charity's Ethical Guidelines and overseeing third-party investment to ensure managers understand and are in compliance on a quarterly basis.
2. Engaging with over 50 mangers within the Fixed Income and Public Equity asset classes in a search for managers that would best meet the client's objectives and constraints.
3. Recommending aligning their Ethical Guidelines to the Febelfin (BE regulatory body) sustainability label, which would increase the universe of suitable investment managers whilst staying true to the Charity's principals and overall mission.

Outcome

In close consultation with the Charity, SECOR worked to develop Ethical Guidelines, an aligned investment policy, and implemented a tailored portfolio specifically designed for them. SECOR also developed a portfolio monitoring and manager oversight program to ensure the Charity is best served and to allow for continuous enhancements to their Ethical Guidelines.

Principle 8

Signatories monitor and hold to account managers and/or service providers

Stewardship Expectations of Appointed Managers

SECOR as advisor and fiduciary manager for asset owners, works with clients on stewardship to facilitate active engagement with appointed investment managers, and via them underlying investee companies.

SECOR is usually responsible for the practical implementation of the client's stewardship requirement through:

- communicating the Stewardship Requirement to all relevant investment managers;
- collecting and assessing information annual from Investment Managers about their stewardship policies, activities, and effectiveness; and
- taking account of stewardship considerations during the Investment Manager due diligence and appointment processes.

SECOR expects investment managers to be active owners, but we recognise that the type of asset and nature of the investment mandate will have an impact on what this means in practice. We urge our investment managers to be active in their voting behavior and we review reports on their voting activity (include metrics on votes against management and commentary on significant votes).

Manager Selection Process

Monitoring and holding to account appointed managers begins with manager selection. SECOR delegates Stewardship and ESG implementation and consideration to external investment managers as a practical necessity. However, as stewards on behalf of our clients, we perform a rigorous diligence, dialogue and selection process. We believe by incorporating ESG considerations into our selection and ongoing oversight we can improve client outcomes.

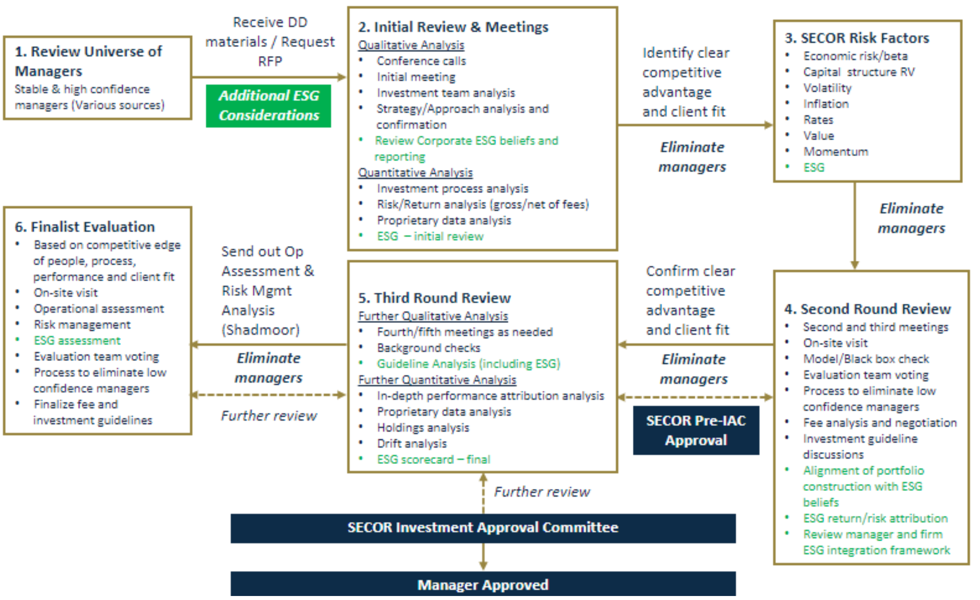
We consider ESG to be an important tool when evaluating managers as part of our holistic selection and oversight process. SECOR's multi-stage manager selection process integrates ESG factors as part of the investment evaluation. As part of the diligence process for each manager candidate, SECOR's research team issue a comprehensive ESG questionnaire, and we engage with the manager to assess their approach to sustainability. The ESG questionnaire is refreshed and reissued annually and is reviewed alongside the manager's ESG related policies and processes.

At the final stage of investment approval, the Investment Approval Committee (IAC) evaluates the ESG policies and diligence findings. Thus, ESG is integrated from the initial stage to the final investment decision. We take care to distinguish investment managers who consistently incorporate ESG in their investment process from those who are merely attempting to create an appearance of doing so.

Our evaluations of ESG-focused managers include identifying any managers potentially viewed as “greenwashers”. While we carefully evaluate the ESG orientation of our managers, ESG on its own may not be sufficient to generate superior returns over the long term. Our evaluation of a manager combines ESG with sources of demonstrated expertise in security/investment selection. Please see below, SECOR’s manager selection process.

Manager Research

An evolving and rigorous process



ESG is also discussed during semi-annual portfolio reviews, and regularly throughout the year during update calls and meetings. We note that many smaller or emerging managers may not have the depth of financial resources, personnel or expertise to effectively implement ESG and stewardship relative to larger more established managers. SECOR may consider this as an opportunity to assist and engage with lower scoring managers who display ambition and are committed to making improvements.

Furthermore, as part of our implementation, SECOR provides ongoing oversight to understand best practice in this area using our industry insights and sharing knowledge of the approaches between different investment managers. SECOR is responsible for reporting to our clients annually on stewardship matters including any material areas of focus for the future.

Proprietary ESG Scorecard

We have developed a proprietary ESG scorecard to help us and our clients understand managers based on a range of criteria using a scale from 1 (lowest) to 5 (highest). Our assessment covers categories such as policies, governance, incorporation into the investment process, engagement, voting, and planned future improvements. The framework is reviewed regularly (at least annually) and seeks to reflect our prevailing understanding of "best practices”. Absolute and relative peer/industry comparisons are conducted taking into account asset class, strategy, geographic and other relevant considerations. The chart below illustrates what we generally expect of managers at each level.

	CATEGORY	DESCRIPTION
5	Leader	Clear industry leader, innovative, setting and achieving high standards for every category. An active owner, with high standards of stewardship and collaboration. Clearly demonstrates positive outcomes.
4	Very Good	Consistently high standards and strong implementation across most categories. Evidence of effective stewardship and engagement with issuers. Good collaboration with other parties.
3	Good	Well developed, integrated, and consistent approach to ESG and sustainability. Reasonable stewardship program with good evidence of thoughtful voting and engagement activity.
2	Improving	Ad hoc process to ESG integration and active ownership, but good evidence of ongoing improvement initiatives and a desire to make progress.
1	Low/None	Little or no plans for integrating ESG or active ownership into the investment process.

When setting and reviewed the standards that we expect from managers at each rating level, we consider and seek consistency with accepted industry standards including SFDR (or similar) disclosure categories and requirements, the UK Stewardship Code, the UN Principles for Responsible Investment, and guidance from proxy voting providers such as ISS and Glass Lewis.

Our Investment Approval Committee evaluates the ESG policies and research findings for every investment and, if they are not satisfied, a manager will not be approved for new investments. Approved managers are generally expected to have and maintain a rating of at least 3 on our rating framework. Existing mandates will usually be put ‘on watch’, and may be disinvested, if the manager’s rating falls below 3 (and they do not respond appropriately to our ongoing engagement with them).

Managers and mandates are assessed on a case-by-case basis, taking into account the type of assets that the manager invests in, and the particulars of the investment mandate. We do not expect, or seek, a uniform approach across asset classes and managers. There may be particular circumstances or client requirements which mean that a rating below 3 is acceptable.

Stewardship and ESG Reporting and Monitoring

Once a manager has been selected, we expect them to implement their policies and stated approach effectively. We consider the following aspects in our ongoing oversight, with a focus on the implications for our priority themes:

- the extent to which the manager can demonstrate their consideration and incorporation of ESG issues into their investment analysis and portfolio construction;
- the extent to which the manager is an active owner (with the exception of quantitative and other strategies where active ownership is less practical);
- whether the manager can demonstrate their ongoing commitment to the UN Principles for Responsible Investment (PRI) and UK Stewardship Code 2020 (or that they are achieving a similar standard);
- whether the extent and quality of the manager's voting and engagement activity meets the standards we expect (where relevant and appropriate to the mandate); and
- how the manager communicates their activities and ongoing adherence to their ESG investing policy. We ask all our managers to demonstrate how they have integrated ESG into the investment of our clients' mandates.

SECOR also engages with managers with the aim of achieving our client's investment objectives and to provide feedback. We expect managers to:

- Ensure consistent ESG investment policies and procedures are implemented and adhered to
- Incorporate ESG in risk/return objectives as part of investment process
- Promote carbon emissions measurement and neutral/reduction programs within portfolio companies
- Be active participants in UN PRI, UK Stewardship, TCFD disclosures and other responsible investing initiatives
- Promote stewardship engagement and reporting back to stakeholders

ESG Reporting

In close collaboration with clients, and based on identified reporting and monitoring needs, SECOR has developed robust and bespoke reporting for all our clients which provides insight and transparency from both a financial and ESG perspective. We provide both financially oriented and ESG oriented reporting for clients.

SECOR has established a regular reporting system with all our clients that includes ESG and stewardship reporting, and updates of their respective regulatory conditions. Some clients also have monthly or even weekly ESG focused meetings that are specific to clients' needs and project requirements.

We produce a consolidated ESG summary of a client's portfolio using the questionnaire and ongoing engagement we have with managers. The growing availability of standardised ESG reporting data (although there is still a long way to go) has also helped to steer these discussions with managers and identify where to focus our efforts.

- SECOR developed a manager scorecard to assist in evaluating each manager to produce an ESG rating scale from 1 to 5 across a variety of categories. (above mentioned scoring description)

- SECOR's reporting draws on periodic reporting from managers about their ESG investing policy and activities; specifically detailing how they have considered ESG in the investment of our clients' mandates.

Public Equity - ESG Monitoring 30 June 2021 2

SECOR ESG Scorecard

Whereas MSCI's ESG scoring system is based on the underlying holdings in a manager's portfolio, SECOR's scoring system is focused on how our managers are implementing ESG across their firm and how it is incorporated into their investment strategy. For managers that do not subscribe to MSCI's ESG platform, it is an opportunity for SECOR to assess ESG efforts that are less quantifiable, such as engagement with management or ESG screening in their investment process.

	ESG Policy	Incorporation in Business	Incorporation in Investment Process	Industry Collaborations	Looking Forward	Total Score	Manager ESG Scorecard Rank
% of Total Score	*15.0%*	*20.0%*	*40.0%*	*15.0%*	*10.0%*	*5.0*	*N/A*
Manager	3.2	2.8	3.4	3.7	3.8	3.3	Above Average
Manager	3.0	2.7	2.7	3.7	3.4	2.9	Average
Manager	3.0	2.1	3.0	4.0	3.4	3.0	Above Average
Manager	2.0	1.2	1.4	2.3	4.3	1.7	Below Average
Manager	3.4	3.3	3.6	4.0	3.7	3.6	Above Average
Manager	2.7	3.3	3.2	4.3	3.4	3.3	Above Average
Manager	2.9	2.9	2.7	2.8	2.7	2.8	Average
Manager	3.6	4.1	3.8	4.5	4.1	3.9	Above Average
Manager	3.4	3.8	3.9	4.1	3.6	3.8	Above Average

ESG Exposure Report[1]

Out of the nine managers in the public equity portfolio, **56%** of them were able to provide a complete data set of individual E,S and G scoring based on their current access to MSCI ESG Scoring data. Additional data was sourced from MSCI's ratings on publicly traded funds. We expect Primecap and Marathon to improve in their reporting capabilities in the coming months. The information shown below is a snapshot of the manager's underlying portfolio holdings and how those companies compare to the benchmark. Each company in the universe receives a ranking of AAA-CCC and a score based on their efforts towards Environmental, Social and Governance issues. Following a weighting of these scores by market value in the portfolio, adjustments are made to the total portfolio score based on trends of the underlying companies and whether they are improving their ESG scoring. Combined, these metrics produce a **ESG Quality Score**.

In addition to ESG Scoring, 100% of managers supply information related to carbon emissions. This data is supplied directly or through a third-party data provider. Based on available data the weighted average carbon intensity of the portfolio, measured as (total CO^2e / \$M Revenue) currently stands at 93.5 versus a benchmark of 129.4.[2] The difference is largely explained by a smaller exposure to energy and utility companies in the portfolio, which are the primary contributors to overall carbon emissions.

- SECOR provides customised ESG and stewardship reporting. As part of our Fiduciary Management service, SECOR assists Trustees with the drafting and preparation of their Implementation Statements.

- SECOR's CIO Dashboard is a tool that SECOR has developed to provide a "top-down" view of the portfolio from an ESG perspective, focusing on client ESG

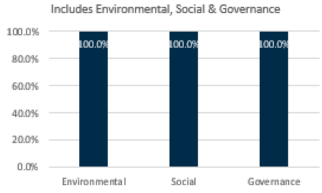
ESG Asset Class Reports

The ESG Asset Class Reports are designed with consideration of different reporting standards and data availability across the various asset classes. By focusing on each asset class individually, we can facilitate a more appropriate comparison amongst managers to identify leaders and laggards. This framework also allows us to incorporate new data into the analysis as it becomes available, which we expect to happen as market and regulatory pressures surrounding ESG reporting continue to grow.

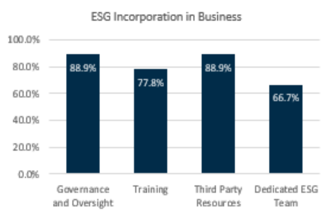
SECOR is conducting a review of carbon exposure in investment portfolios and the approaches investment managers use to measure exposure. We are currently working with our managers to enhance Carbon specific reporting. We are also leveraging various tools including external data providers and manager specific data requests. SECOR expects that regulatory measures and an improving industry standard will make carbon emissions and fossil fuel reporting more ubiquitous across asset classes. As the standard for reporting and availability improves, we will continue to incorporate additional metrics in our future analysis and plan to use this information as part of our initiative related to our planned carbon exposure assessment.

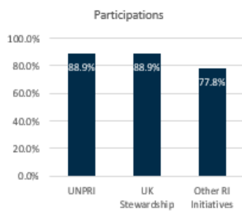
Sample ESG Asset Class Report

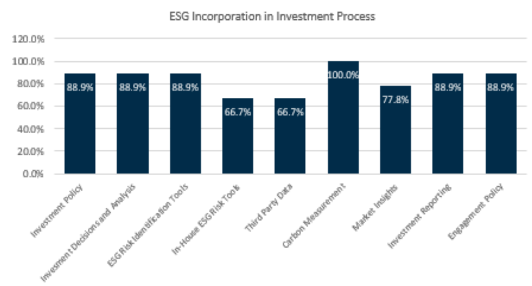
In December of 2022, all nine managers in the Client A Global Equity portfolio had an ESG Policy. Of those nine managers, 100% considered Environmental, Social and Governance as a key aspect for consideration in their investment process.



Based on the responses received, managers tend to look at the incorporation of ESG as risk reducing, rather than return enhancing. The majority of managers in the portfolio do incorporate ESG monitoring and development into their investment process.







SECOR ESG Scorecard

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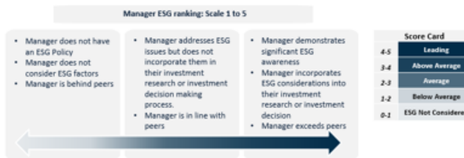
	ESG Policy	Incorporation in Business	Incorporation in Investment Process	Memberships	Regulatory	Looking Forward	Total Score	Manager ESG Scorecard Rank
% of Total Score	*10.0%*	*20.0%*	*40.0%*	*10.0%*	*10.0%*	*10.0%*	*5.0*	*N/A*
Manager A	3.5	3.2	3.5	4.3	3.3	3.0	3.4	Above Average
Manager B	3.5	2.9	3.0	3.3	4.0	3.1	3.1	Above Average
Manager C	4.3	4.4	4.3	5.0	5.0	3.5	4.4	Leading
Manager D	3.5	3.5	3.1	3.9	3.5	3.4	3.4	Above Average
Manager E	3.8	3.9	3.5	5.0	3.5	3.3	3.7	Above Average
Manager F	2.5	1.0	1.4	1.0	1.5	2.3	1.5	Below Average
Manager G	3.9	4.0	3.9	4.7	4.5	3.5	4.0	Leading
Manager H	4.0	3.4	4.1	4.3	4.5	3.8	4.0	Leading
Manager I	2.7	3.3	3.5	4.3	3.8	2.5	3.4	Above Average



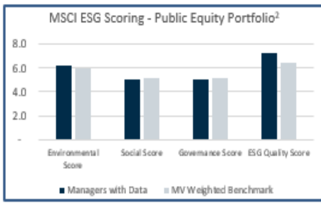
	Manager A	Manager B	Manager C	Manager D	Manager E	Manager F	Manager G	Manager H	Manager I
2020	3.3	2.9	3.6	3.0	2.8	1.7	3.9	3.8	3.3
2021	3.7	2.9	4.4	3.2	3.8	1.3	4.0	3.7	3.4
2022	3.4	3.1	4.4	3.4	3.7	1.5	4.0	4.0	3.4

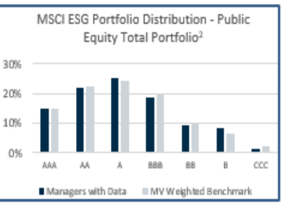
2020 2021 2022

ESG Exposure Report[1]

Out of the nine managers in the public equity portfolio, **66%** of them were able to provide a complete data set of individual E,S and G scoring based on their current access to MSCI ESG Scoring data. Additional data was sourced from MSCI's ratings on publicly traded funds, leading to **100%** coverage for the ESG Portfolio Distribution data. The information shown below is a snapshot of the manager's underlying portfolio holdings and how those companies compare to the benchmark. Each company in the universe receives a ranking of AAA-CCC and a score based on their efforts towards Environmental, Social and Governance issues. Following a weighting of these scores by market value in the portfolio, adjustments are made to the total portfolio score based on trends of the underlying companies and whether they are improving their ESG scoring. Combined, these metrics produce a **ESG Quality Score**.

In addition to ESG Scoring, all managers of managers supply information related to carbon emissions. Based on available data the weighted average carbon intensity of the portfolio, measured as (total CO^{2}e / $M Revenue) currently stands at 124.6 versus a benchmark of 158.8.[2] The difference is largely explained by a smaller exposure to energy and utility companies in the portfolio, which are the primary contributors to overall carbon emissions. The carbon footprint of the portfolio, measured as (total CO^{2}e / $M Invested) stands at 221.9 versus a benchmark of 114.6. However, it should be noted that the termination of GLG in Q1 of 2023 has substantially lowered both weighted average carbon intensity (78.9 vs a 140.0 benchmark) and carbon footprint (72.4 vs 77.5 benchmark).





Manager in the Spotlight – Manager C

Manager C is a quantitatively-oriented public equity manager in the portfolio that has emerged as a leader in terms of ESG development and incorporation. Manager C takes a comprehensive approach to responsible investment and the incorporation of ESG on both a Firm level and at the investment strategy level.

The Firm has numerous initiatives surrounding its own Governance that are integrated into the business including Firm-level policy statements on Responsible Investing and Diversity & Inclusion as well as integrated Responsible Investing and Corporate Social Responsibility Groups. The Firm is 100% employee owned with shares held by a diverse group of 33 employees firm wide. Furthermore, the Firm has three main governing bodies comprised of the Board of Directors, Management Committee and Investment Committee.

ESG is incorporate into the investment process through four key areas: Factor Design, Portfolio Construction, Risk Management and Proxy Voting/Active Ownership. For factor design, the Firm believes that elements of ESG enhance returns and have incorporated various ESG criteria in the stock selection Model. From a risk perspective, the Firm evaluates how ESG criteria may help to better manage both short-term and long-term portfolio risks in the context of a multi-factor approach while continuing to explore how ESG can further inform risk management. Manager C developed a customized screening to avoid certain controversial activities and reduce reputational risks in client portfolios. The Firm has developed an in-house Carbon Footprint report to analyze carbon exposure risks and has been working with Carbon Delta to analyze portfolios through the lens of a two-degree warming scenario. The Firm continues to dedicate resources to RI/ESG and has made a commitment to further exploring ESG from alpha generation, risk control, and portfolio construction perspectives.

SECOR believes that Manager C adequately incorporates ESG into their investment process. Given the quantitative nature of the strategy, the manager employs a host of third-party data (MSCI, Sustainanalytics, True Cost) to ensure that there are no major sustainability concerns that could impact risk and return. Recently, Manager C proposed that SECOR convert from a broad global equity mandate to one that is governed by ESG principals. In addition to new ESG standards , the strategy would incorporate low carbon optimization. However, the strategy relies primarily on an exclusion method that prohibits investments in certain stocks that have low ESG scoring as opposed to overweighting companies with above average ESG scoring. In our analysis, SECOR found that the simulated backtest for the proposed ESG strategy underperformed historical returns for the current global strategy. Following further discussion with the manager regarding their exclusion methodology, we concluded that Manager C's ESG strategy was sacrificing returns to capture better ESG and low carbon exposure when compared to the current global strategy.

Monitoring

Through regular reporting and dialogue with appointed managers, SECOR is able to monitor managers and investments to ensure that assets have been managed in alignment with our clients' investment and stewardship strategy and policies. While information and data provided by managers directly is important and makes up a substantial portion of our reporting, SECOR also use external third-party data services as well as other available information for checks and balances. SECOR has established processes to track any updates and changes in regulation related to ESG and other pension fund matters that may be material to our clients and managers. SECOR also monitors industry news and broader media for press regarding investment managers, investment owners and other important developments.

Case Study – US Based Fixed Income Manager Held to Account

Background

SECOR has been a long-time investor in a top-tier US based investment firm focusing on active fixed income management worldwide. This high conviction manager faced allegations related to DEI (Diversity, Equity and Inclusion) issues where minorities and women were claiming unfair treatment over pay and promotions in a "Fraternity" like culture. We consider DEI a critical components of ESG considerations and that long-term success and competitiveness of a firm depend on talented, driven people and the organisations' ability to attract and retain individuals with a broad array of backgrounds. SECOR as a diversely staffed organisation (59% are of diverse background) incorporates DEI policies and activities employed by an investment manager as part of initial manager due diligence and annual reviews. Thus, SECOR maintains an eye on headline & media risks related to DEI or other social issues for all appointed managers. Accountability has been a key focus of SECOR since inception and this news was a troubling development for a top manager.

Action

When we saw negative headline news regarding their business, we engaged with the manager to understand what happened, and what actions were undertaken to resolve the issues. When managers are not performing as expected, our initial response is place them "on watch" and inform clients that such action has been taken and why. This meant intense engagement with the manager to identify causes of negative press about treatment of minorities or women. SECOR took a very active role to demand background and root causes of the headlines, what the company is doing to rectify the situation, and asking for improvement in company policies to deter such behaviors in the future.

Outcome

The manager was very transparent and after multiple discussions, SECOR got comfortable that the company had indeed implemented changes to rectify and prevent the situations from repeating and there was no need to reduce their mandate or terminate. In certain instances, SECOR has terminated (or sought Board approval to terminate) such managers.

Investment managers hired by SECOR are expected to be transparent when violations of investment guidelines or other non-investment events occur. IMAs or Investment guidelines are used to dictate cure periods in such events, but will typically require communication to SECOR regarding background and impact of the violation and what steps were taken to prevent them from happening again.

Engagement

Principle 9

Signatories engage with issuers to maintain or enhance the value of assets.

SECOR's Engagement Approach

As an investment advisor (and fiduciary manager), SECOR does not invest directly in companies (issuers) and any investments made would be through third-party investment managers or managed funds.

Therefore, given that we are not able to engage with issuers directly, we believe that engagement with and through our managers is the most effective route for SECOR to take. We appreciate that engagement activity and methods will differ depending on asset class, local regulations, geography, governance, structure or type of vehicle of funds, each manager's strategy and other factors. We take all these factors into consideration when engaging with our managers. We consider that managers are typically best placed to prioritise particular engagement topics by security; they are expected to have detailed knowledge of both the governance and operations of the companies and issuers they invest in and should therefore be best placed to engage on topics that are most material to each security.

We actively engage with managers through regular meetings and calls, semi-annual meetings and via our comprehensive annual ESG questionnaire. Our research team engages with managers on their overall approach to ESG integration and stewardship, including their policy commitments, integration of ESG considerations across their investment processes and voting and engagement activities. Managers are expected to highlight any concerns that may require engagement with underlying securities, and to report on their related activities and the outcomes.

We expect the managers to implement their established proxy voting, engagement and stewardship policies including ESG topics on behalf of our clients.

SECOR's approach to engagement is via three main channels; Managers, Clients, and Industry Organisations. Collaboration with industry groups are further discussed in Principle 10.

Managers

- Manager research and selection
- Assessment of stewardship policies, practices
- Ongoing engagement
- Reporting and oversight

Clients

- Stewardship and ESG advisory
- Beliefs and policy implementation
- Tailored approach
- Communication and oversight

Industry Groups

- Best practices sharing
- Collaborative learning
- Industry initiatives
- Standardization and transparency

Manager Engagement

SECOR engages regularly with investment managers. As part of our ESG Policy, we expect external investment managers to be active owners in the investment process.

Our starting point for investment manager engagement is typically our annual ESG questionnaire. We also complete a semi-annual manager checklist which we see as an important tool when assessing a manager’s approach and activity. The questionnaire seeks to gather information on the approach managers have taken to stewardship (voting and engagement) along with clear examples which demonstrate the effectiveness of engagements and voting activity, especially in related to SECOR’s priority themes (which are climate change, biodiversity, human rights and labour practices, and diversity, equity and inclusion - please refer to our Sustainability Policy for more information). Additionally, please see SECOR’s Modern Slavery and Human Trafficking Statement regarding SECOR’s commitment to principles on human rights, labour and modern slavery.

From the responses to the questionnaire, reporting and related discussions, we identify key areas of interest for our ongoing discussions with managers throughout the year. We will seek to focus our engagement on managers which have a relatively low SECOR ESG rating compared with that of their peers, and where we consider that there is the greatest potential for improvements. We will also record in the Engagement Log where we consider that follow-up or escalation is required, and what progress the manager is expected to make.

In our questionnaire and discussions with managers, we seek evidence of positive momentum on, and positive outcomes from, the managers’ engagement activities.

Monitoring and Oversight

As previously described in Principle 8, as part of the manager selection and monitoring a process, SECOR seeks to identify and monitor listed portfolios for high-severity ESG-related risks as set out in the UN Global Compact (“UNGC”) Principles that relate to human rights, labour, environment and corruption issues.

We will engage with managers owning any of those securities and seek their views on the risk, return and reputational implications as well as their insights on the issue. Engagements with managers' holding high-severity incidents will be prioritised based on the duration of the incident and the holding period of the manager. Responses are considered as part of the aggregate assessment of a new manager, consistent with the process for evaluating existing managers.

We will escalate our engagement, and may ultimately disinvest from a manager, if:

- we consider that their engagement with an identified company has not been sufficient or effective; and/or
- the company has not taken remedial action and the manager continues to keep the company in their portfolio beyond what we consider to be an appropriate period of time.

The extent of the engagement and remedial action expected, and what we consider to be an appropriate period of time, will depend on the nature and severity of the incident.

We believe in actively working with our managers to understand, engage and sharing best practices on ESG, and overall integration as the most effective means to enhance the value of investments on behalf of our clients.

Private Asset Classes

Although public equities are often the focus for engagement, SECOR appreciate the importance of engaging in private asset classes (ie: private equity, private real estate, private credit etc). We believe that in some cases, private market investments by the nature of the ownership structure, and governance may allow for investors to have more impactful or greater ability for engagement. In many instances, investors (Limited Partners) may have requirements to vote or approve certain measures. Many private fund (General Partner) structures also have advisory boards or similar board seats that allow for greater participation and voice for investors. Therefore, when investing with private asset managers, SECOR seeks to engage with these managers through Advisory Board seats of these managers whenever possible.

Client Engagement

Engagement with clients starts at the beginning of the relationship to understand each client's unique beliefs and philosophies. SECOR's onboarding of clients includes a comprehensive research and engagement process to understand and create an investment program, stewardship, ESG and ethical objectives for our clients. We create custom, bespoke portfolios to address the needs of our clients, and fully communicate with underlying managers on the specific mandate and needs of our clients.

For all of our clients, our senior investment and advisory team members regularly discuss and seek on-going feedback from our clients.

- SECOR works closely with clients and stakeholders at the start of the engagement and regularly throughout the relationship to better understand how client's considerations can be embedded in their plans, and to help them establish corresponding framework to best meet the scheme membership views and to implement these relevant investment actions.
- As part of our ESG and stewardship process, for some of our clients who have a particular ESG focus, SECOR holds regular ESG meetings to discuss projects and new initiatives
- Ongoing client engagement allows for SECOR to better understand evolving views and needs of clients to best effectively oversee and communicate with 3rd party managers on behalf of our clients

Case Study – Engagement with Value Equity Manager

Background

Engagement is at the core of how SECOR builds and maintains relationships with best-in-class managers. As stewards of capital, it is our responsibility to ensure that our expectations of process, risk and performance are being met by the manager and we achieve this through ongoing due diligence via monitoring of periodic reports, multiple scheduled meetings, and informal touchpoints. We expect our managers to apply the same level of thoroughness when interacting with their portfolio companies.

SECOR has been an investor in an independent investment firm known for managing value equities. Its investment strategies include large cap, emerging markets, European, global, and mid cap headquartered in NYC.

Activity/Engagement

SECOR engages with all our managers to ensure they are doing what they say they are doing and this extends to monitoring of current and ongoing ESG efforts. During the ongoing oversight process, we expect our managers to hold the management teams of their portfolio companies accountable when it comes to developing ESG targets/goals and achieving them with practicality.

We have encouraged our managers to invest with companies that observe best in class sustainable/ESG considerations without sacrificing the risk/return profile of the strategy.

Outcome

We illustrate instances where this manager has rejected or divested from companies due to ESG and sustainability considerations. Below is a sample list from this manager:

- G4S Plc – private prison and security firm screened cheaply at value but social issues related to poor work conditions, worker mistreatment and human right abuses resulted in investor divestitures
- Braskem – Rejected at final review due to environmental damages related to salt mining activities
- Lotte Chemical Corporation – did not invest due to management corruption scandal and safety incidents connected to poor operations and exposure to single use plastics
- PAO Sevestral – Russia based steel manufacturing with poor carbon emission remission program and sustainability issues would result in high expected carbon emissions costs to lower overall profit margins
- Telefonaktiebolaget LM Ericsson - concerns about a material financial penalty with potential governance issues, additionally specific allegations that Ericsson may have financed ISIS / terrorism in Iraq resulted in manager not investing

SECOR encouraged managers to pay particular attention to companies with low carbon emissions emitting firms focused on energy or materials. Most notably in Asia, where the promises to improve carbon efficiency have not always aligned with results, engagement with the manager has resulted in an investment in POSCO – lowest cost steel maker in S. Korea investing in process and technology to improve carbon emissions and investing in new EV battery venture. Through close and collaborative engagement with appointed managers, SECOR has been able to contribute to enhancing the value of underlaying assets on behalf of our clients.

Principle 10

Signatories, where necessary, participate in collaborative engagement to influence issuers.

Collaborative Engagement

SECOR recognises the importance of engagement and potential benefits of collaboration within a larger group – to share in a combined voice of industry representation.

We are members or participants in the following industry organisations:

- **UNPRI**
- **Taskforce on Climate-related Financial Disclosures (TCFD)**
- **UK Stewardship Code 2020 (applicant)**
- **Carbonfree Partner Program**
- **IMPACT Management Project**
- **Certified Living Wage Employer**

Through collaborative engagement, we are better able to get our views heard and more effectively influence change and advocate for industry improvements.

We expect our managers to consider collaborations with equity shareholders, bondholders and other stakeholders, which may include industry associations, regulators and government authorities, where there is an opportunity and reasonable ability to improve long-term investment outcomes and contribute to more sustainable and stable global financial markets. The extent to which this is possible, and an appropriate allocation of time and resources, will depend on the manager and the specific circumstances.

SECOR also considers collaborating with other parties where we believe it is in the best interests of our clients and that we will be able to make a meaningful contribution towards achieving a positive outcome.

Case Study – Collaborative Engagement in Litigation Finance

Background

Litigation finance (also called litigation funding or legal financing) is the practice where a third party provides capital to parties in litigation in return for a portion of any financial recovery from the lawsuit.

Litigation finance is comprised of many areas from consumer and commercial pre-settlement legal funding, to providing funds for law firms for general business purposes and finally to post-settlement financing. When done appropriately, such financing can help to ensure that lawsuits are decided on their merits, and not based on which party has deeper pockets or stronger appetite for protracted litigation. In much of the world, access to justice requires significant capital because litigation can be expensive. Cost of litigation includes attorney fees, research, depositions, conferences, witness preparation, trials, subpoenas, appeals, court fees, consultants, and investigations etc. In addition to potential social benefits, investments in litigation financing can be a diversifier in an uncorrelated asset class with the potential for strong returns.

Although litigation finance can have positive social benefits, this case highlights where we and our client were concerned about the possible social ramifications of certain types of litigation finance that would also potentially result in major headline and reputational risk. Our concerns originated from media accounts of predatory and possible criminal practices of certain lawyers and firms involved in this area.

Activity -Engagement/Collaboration

SECOR collaborated extensively with our clients and investment managers investing in litigation financing strategies to ensure an understanding that they would not be funding predatory or illicit activities. SECOR supported the strategy of litigation finance investing for its investment return and diversification purposes with the added social benefits. By fully understanding our clients' concerns and collaborating with several litigation finance managers, we addressed these concerns. Over time, we were able to convince the investment managers to revise their investment strategy and processes to refine their investment criteria to filter for predatory and criminal practices.

Outcome

By fully engaging and collaborating with multiple investment managers, we ensured that the types of litigation finance they were involved in were primarily post-settlement litigation and funding of law firms for general business purposes. We presented the results of our efforts to the clients, and they agreed that they should not exclude this important credit strategy from their portfolio.

As a component of our regular investment manager monitoring program, we now receive from managers specific details and data related to litigation finance exposure, the types of litigation finance they are involved in, and any cases that involve our clients. Additionally, we have crafted a separate litigation finance policy for our clients that caps the exposure to litigation finance at the manager, the asset class and the aggregate scheme levels.

Principle 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

Escalation Framework and Activity

SECOR does not have the same degree of influence over issuers as larger asset management firms that hold public equity or voting rights in companies and thus we do not have the same escalation capabilities as other organisations.

Through regular and on-going engagement and communication with our managers, we have entrusted our managers to act in the best interest of our clients. SECOR expects appointed managers to escalate stewardship activities to influence issuers where necessary when engagement and collaboration have not resulted in desired outcome. We expect managers to adopt clear guidelines on escalation processes and to report on these activities and outcomes. Their reporting should include the issue(s) and the reasons for their chosen approach, and sufficient details on the matter.

We expect our managers to maintain ongoing communication and discuss any concerns regarding issuers. Engagement and escalation is conducted primarily at the level of our fund managers who are subject to our selection and monitoring based on our investment principles and client needs.

SECOR appreciates that escalation issues and methods will vary based on manager strategy, asset class, materiality and local laws and regulations and expects each escalation matter will be unique. As we support our clients by monitoring stewardship and engagement activities of managers (including escalation of engagement activities), we expect full transparency from each manager.

In working with private fund managers (alternative asset classes), SECOR often represents clients by serving on LP Advisory Councils where we are actively engaged to assess and vote. These stewardship matters may include potential conflicts of interest or other decisions, such as extensions of investment periods, fund terms, recapitalisations, potential guideline exceptions, management fee adjustments, etc.

Additionally, SECOR is an active participant in many industry initiatives, such as UNPRI, TCFD, Carbonfund.org, Impact Management Project, Living Wage Employer and others and our participation allows us to engage and add to the collective voice of industry and help advance stewardship and ESG endeavors and if warranted, escalate to further actions.

Case Study - Private RE Fund Manager Escalation for Removal

Background

SECOR acts as stewards for our client's capital as investor representatives on the LP Advisory Boards of a number of funds in which our clients are invested. SECOR's client has been an investor (LP) in a leading private real estate fund investing in industrial and warehouse properties in N. America. A top executive in the company (key person) had been accused of assaulting a third-party female presenter at a company internal meeting. This case was not only a clear violation of the treatment of women, but events that followed were in violation of good governance principles as the company colluded and tried to hide the incident for several months from LP investors. Moreover, the event at the firm was clouded by executive power play, other internal conflicts/issues, and ultimately presented potential risk for investors.

Action/Engagement

SECOR engaged with the Manager to understand the circumstances of the incident and subsequent actions of the executive and the executive team. Upon full investigation, SECOR determined that the results and actions of the Manager were unsatisfactory and the remedy lacking. SECOR further engaged in multiple meetings with other LP Advisory Board (LPAC) members to determine the appropriate course of action.

Escalation

A series of subsequent events unfolded that resulted in a loss of trust in the integrity of key leaders of the Manager, resulting in the hiring of legal counsel to guide the LPAC on potential legal or other actions. SECOR co-led the LPAC decision to pursue removal of the Manager as GP of the Fund. This action ultimately forced a vote by the LP Board as well as all LP investors in the fund to remove the manager with cause.

Outcome

Unfortunately, the GP removal vote was not successful, followed by several female employees resigning or being terminated by the Manager. Due to the nature of the private fund structure, and illiquidity, redemption or sale was not a viable course of action.

SECOR did stand by our principles to engage with other peers and then further escalated the matter through legal and investor action. Although ultimately unsuccessful, these actions made it clear to the Manager that this behavior would not be tolerated. Ultimately, we believe this action has forced the organisation to pay heed to proper governance, transparency, and mutual respect for all people. We are now seeing changes in the firms' governance structure, including the establishment of a truly independent Board, hiring of more executive level females, improving work culture, and changes in the executive suite.

Rights and Responsibilities

Principle 12

Signatories actively exercise their rights and responsibilities.

SECOR Actively Exercises Rights and Responsibilities

SECOR is not a direct manager of client assets and does not have direct participation rights in proxy voting of public investments. Instead, we partner and invest with a diverse set of experienced and qualified investment managers across multiple asset classes. Shareholders of publicly listed companies have the right and, for many of our clients, a fiduciary responsibility to vote at shareholder meetings. We consider that our managers are in the best position to determine the proxy voting approaches that are in the best interests of their stakeholders and the investments made on behalf of our clients.

As good stewards, SECOR has a duty to act in our clients' best interests and adhere to client investment objectives. We carefully evaluate each manager's stewardship capabilities and their ability to support our commitment to good governance, integration of sustainability considerations, and the enhancement of long-term value, as part of our manager selection process.

To accomplish this, SECOR engages with each investment manager to promote responsible investing and to be good stewards of investments and to provide full transparency through reporting. We do not instruct managers on how to vote specific proxies, instead we expect managers to act in the best financial interests of SECOR clients and their assets. SECOR's investment managers are expected to be active owners and to exercise the rights attaching to investments and engage with debt and equity issuers on relevant matters. (further described in SECOR Stewardship Policy).

Policy Approach

Our expectation of managers is that all shares will be voted in a timely manner, and in a way which is deemed most likely to protect and enhance value.

SECOR expects managers to establish their own voting policies (or as appropriate work with industry leading proxy advisors) which clearly set out the principles and guidelines under which rights to vote will be exercised. SECOR's Proxy Engagement is guided by regulations and a framework that separate stewardship into two areas:

The exercising of rights attaching to investments

Engagement with debt and equity issuers on issues including performance, strategy, risks, social and environmental impact and corporate governance

100%
Managers Provides Proxy Data (EQ)

100%
Equity Managers with Policy

88%
Internal Proxy Policy

22,142
Number of Resolutions Voted On

92.1%/ 7.2%
Voted with/ against Management

0.7%
Abstained

Manager Expectations & Monitoring

We recognise that SECOR has a fiduciary duty to act in our clients' best interests and to adhere to their investment guidelines. To accomplish this, as part of SECOR's multi-stage manager selection and ongoing monitoring process, we:

- review managers' proxy voting policies, activities, and records, and assess them against what we consider to be industry best practice;
- engage with managers on a range of relevant topics, including our priority themes[7] , to assess the effectiveness of their voting and engagement activity; and
- promote responsible investing, high standards of stewardship, and comprehensive and transparent reporting.

Regarding the practical implementation of Proxy Voting and Stewardship requirements, SECOR acts on behalf of clients to (at a minimum):

- take account of proxy voting and stewardship in the assessment and appointment or managers;
- communicate any client specific proxy requirements to all relevant investment managers;
- collect and assess (at least annually) information from investment managers about their proxy voting activities and approach; and
- produce (at least annually) a consolidated summary report containing voting and engagement data for relevant investment managers.

Some managers partner with industry leading proxy advisors, such as ISS and Glass Lewis. These advisors are often responsible for submitting or advising on votes across the portfolios, and their guidelines are usually made public. We monitor all dissenting votes against the proxy advisors in semi-annual proxy voting statements and track the total number of votes over the period. SECOR will review the voting results and discuss managers' stewardship activities and proxy voting to understand, and potentially challenge their approach.

SECOR produces a consolidated summary of ESG reporting data, voting and performance for clients on investment managers' voting activities.

Excerpt illustration- Summary of ESG reported data

rategy	Global Equity Manager 1	Global Equity Manager 2	EM Equity Manager 1	Japanese Equity Manager	US Equity Manager 1	World Equity Manager 1	EAFE Equity Manager 1	US Equity Manager 2	M...
ting Policy	Third Party Policy	Third Party Policy	Manager's Own Policy	Manager's Own Policy	Manager's Own Policy	Manager's Own Policy	Manager's Own Policy	Manager's Own Policy	Manager's Ow...
xy Advisory Service Provider	Glass Lewis	Institutional Shareholder Services Inc. (ISS)	Institutional Shareholder Services Inc. (ISS)	Glass Lewis	Institutional Shareholder Services Inc. (ISS)	Institutional Shareholder Services Inc. (ISS)	Research Providers	Glass Lewis	Institutional Shareholo... Services Inc. (ISS)
f Underlying Equity Holdings	213	312	72	52	41	32	356	260	51
eets Eligible to Vote	117	578	77	59	172	6	398	274	63
esolutions Voted With nagement	1489	7402	798	829	549	83	5659	3070	606
Eligible Resolutions Voted on	100.0%	87.5%	99.8%	100.0%	100.0%	100.0%	100.0%	98.9%	98.5%
Resolutions Voted With nagement	89.8%	91.3%	79.1%	86.9%	93.2%	89.2%	95.0%	97.6%	83.9%
Resolutions Voted Against nagement	9.4%	8.2%	15.3%	13.2%	6.8%	10.8%	4.6%	2.2%	14.9%
Resolutions Abstained	0.7%	0.5%	5.6%	0.0%	0.0%	0.0%	0.4%	0.2%	1.2%
of Meetings with at least one te against management	47.0%	42.0%	54.6%	45.8%	23.3%	83.3%	26.4%	Not Reported	46.8%
Resolutions Voted to Proxy Advisor tion	0.0%	0.0%	0.9%	13.2%	3.9%	11%	2.0%	0.0%	17.6%
Significant	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes

[7]Our Priority Themes are climate change, biodiversity, human rights and labour practices, and diversity, equity and inclusion - please refer to our Sustainability Policy for more information.

Case Study Illustration of Client's Portfolio Proxy Summary

Public Equity Proxy Voting

Background

In public equity investments, shareholders are granted voting rights that can be used to affect change within a company. If a stakeholder has an increasing equity stake, they will have a greater influence on the future of the company. As such, investors with an ESG mandate or objective can use their voting rights to ensure that the underlying companies comply with existing and emerging restrictions and progress on specific ESG-related goals.

Action

SECOR's appointed investment managers as active owners, exercise their rights to their investments by establishing and implementing their own voting policy, integrating sustainability and ESG considerations to create long-term value. SECOR expects all equity managers to vote all shares and requires equity managers provide proxy voting data and detailed report on these activities and outcomes. With the data, SECOR prepares a consolidated proxy reporting for clients.

Below is an illustrative sample of Public EQ Proxy Voting Status Summary for SECOR's client.

	Voting Policy	# Resolutions Eligible to Vote	% of Eligible Resolutions Voted On	% of Meetings with at least one vote against management	% of Resolutions Voted Contrary to Proxy Advisor Recommendation	Details Provided on Significant Votes?
Manager A	Third Party Policy	1489	100%	47%	None	No
Manager B	Third Party Policy	7402	88%	42%	None	No
Manager C	Manager's Own Policy	798	99%	55%	None	Yes
Manager D	Manager's Own Policy	829	100%	46%	13%	Yes
Manager E	Manager's Own Policy	549	100%	Not Reported	4%	No
Manager F	Manager's Own Policy	5659	100%	26%	2%	Yes
Manager G	Manager's Own Policy	83	100%	83%	11%	Yes
Manager H	Manager's Own Policy	3070	99%	Not Reported	None	Yes
Manager I	Manager's Own Policy	606	99%	47%	18%	Yes

All managers in the portfolio employ a Proxy Advisory Service (e.g. Glass Lewis, ISS) and 89% have made alterations based on proxy advisor's recommendations. Proxy voting guidelines, whether determined by a third-party advisor or the manager, are documented in SECOR's Semi-Annual Checklist.

We believe that policies for managers that are more fundamentally focused provide better insights to the investing process. For those with direct voting procedures, we pay close attention to dissenting votes against management.

Outcome

In the above redacted client example of a Proxy Voting Summary, the public equity portfolio is currently invested in several funds that are run by large asset manager institutions. These managers can influence the management teams of their holding companies with their votes due to their large asset base and ownership stake.

In addition to regular conversations with managers in the portfolio, regular reporting and correspondences demonstrate how the managers interact with their portfolio companies and what situations warrant more dialogue. SECOR engages with and monitors these managers to ensure rights and responsibilities are exercised in line with the managers' policies and our expectations.

Appendix

Appendix A - Biographies of SECOR employees

Appendix B - Sample Plan ESG Dashboard

Appendix C - Climate Scenario Analysis

Appendix D - Client Portfolio Emissions Metrics

Appendix A – Biographies of SECOR Employees

Tony Kao

Tony is a Managing Principal and Chief Investment Officer of SECOR Asset Management, LP. He has over 40 years of investment management industry experience, including time as the Chief Investment Officer of General Motors Asset Management, where his responsibility included the management of the $130 billion global employee benefit related plans primarily for General Motors and its affiliates. He currently serves on the Editorial Boards of Journal of Investment Management and Journal of Investment Consulting. His articles have been published extensively in various finance journals and books. He earned his MBA in Finance from New York University. Tony currently serves as President of the Paul Koors Memorial Foundation.

Ray Iwanowski

Ray is a Co-Founder of SECOR Asset Management, a global asset management firm that partners with clients across three business areas: quantitative investing, portfolio solutions and pension advisory. Ray served as Chief Investment Officer of SECOR's quantitative businesses. Prior to founding SECOR, Ray was Co-Chief Investment Officer of the Quantitative Investment Strategies (QIS) group at Goldman Sachs Asset Management (GSAM). While at Goldman Sachs, Ray was named Managing Director in 1999 and Partner in 2004. Before GSAM, Ray worked at Salomon Brothers as head of the Fixed Income Derivatives Client Research Group and member of the Bond Portfolio Analysis Research Group. At Salomon, Ray authored a number of publications on fixed income asset allocation and fixed-income derivatives. He also worked in First Boston's Fixed-Income Portfolio Strategies Group, specializing in asset-liability issues for banks and thrifts, as well as valuation of mortgage-backed securities and their derivatives. Ray has published articles in The Journal of Portfolio Management and The Journal of Fixed Income. He serves on the Board of Trustees at Good Shepherd Services, a New York based social services agency. In addition, Ray is a member of the advisory board of the Rodney L. White Center for Financial Research at the Wharton School of the University of Pennsylvania. Ray earned a B.S. and B.A. from the University of Pennsylvania and M.B.A. from the University of Chicago.

Kam Chang (New York / London office)

Kam is the Head of OCIO & Fiduciary Management at SECOR, leading our client advisory team and business development efforts. Kam is also the Head of our UK and European business. He is a member of the ESG Committee. He has over 25 years of investment management industry experience, including time at General Motors Asset Management in a variety of portfolio management roles for multi-asset, fixed income portable alpha, and alternative high yield strategies. Kam holds a BS in Finance from New York University and an MBA in Finance and Management from Cornell University.

Scott Freemon, CFA

Scott is the Head of Strategy, Risk & Analytics for the advisory and solutions business at SECOR. He leads our efforts in investment policy and hedging strategy design for multi-asset clients. In addition, Scott is instrumental in the development and ongoing improvement of SECOR's portfolio construction, asset-liability management, and multi-asset risk analytics. He has close to 20 years of investment management industry experience, including time at General Motors Asset Management where he created their first complete set of Strategy and Plan-Level risk management capabilities and helped build a successful third-party advisory business. Scott holds a BA with Distinction in Economics from the University of Rochester and an MBA in Analytical Finance from the Kellogg School of Management.

Matt Gillis
Matt is the Head of Infrastructure at SECOR, responsible for the execution of client initiatives for our investment advisory and solution clients. He has over 20 years of investment management industry experience, including time at General Motors Asset Management as manager of investment operations for global public markets and State Street Bank & Trust Company as a manager responsible for daily valuation within the defined contribution business. Matt holds a BS in finance from the University of Massachusetts at Amherst and an MBA from New York University.

Pattie Hand
Pattie is the Chief Compliance Officer at SECOR and also advises on all partnership, employment, contract and other general matters, as Counsel. She has over 25 years of industry experience, including time at LRN, Oppenheimer Asset Management Inc., and Debevoise & Plimpton. She holds an AB from Stanford University and a JD from the University of California at Berkeley.

Dmitri Smolansky
Dmitri is the Head of Portfolio Solutions at SECOR. Dmitri has over 25 years of investment experience, including the management of global macro and GTAA portfolios at Citigroup, Man Financial, Bleecker Street Capital LLC, and General Motors Asset Management. Dmitri holds a BS in Statistics from the University of Illinois and an MBA from New York University.

Florence Fong-Lopez, CFA
Florence leads our public and private fixed income and credit-related alternative beta manager research team at SECOR. In addition, she is a key contributor for our property and event-driven hedge fund research efforts. She has over 30 years of investment management industry experience, including time at General Motors Asset Management as a Director in the Credit Markets Group and Ambac Financial as a Senior Portfolio Manager of the municipal bond portfolio. Florence holds a BA in Environmental Science from Barnard College and an MBA in Finance from the University of Pennsylvania.

Philip DiDio
Philip is a portfolio manager in our hedge fund and alternative beta manager research team at SECOR, specializing in all aspects of hedge fund research. He has over 30 years of investment management industry experience, including time at Summit Private Investments, Oppenheimer & Co., FRM Americas, and General Motors Asset Management where he held a variety of hedge fund portfolio management and research roles. Philip holds a BA in Mathematics and Philosophy of Science from the University of Pennsylvania and an MA in Statistics from the University of California at Berkeley.

Anoop Kumar, CFA
Anoop leads our public equity research team at SECOR. He has over 30 years of investment management industry experience, including time at IBM Retirement Funds as the head of global equities, SEI Investments and General Motors Asset Management. Anoop holds a BS in Electrical Engineering from Birla Institute of Technology & Science, Pilani, India and an MBA and MS from New York University.

Bo Brownlee, CFA
Bo is a global equity strategist at SECOR, responsible for public equity, private equity, and equity-related alternative beta manager research at SECOR. He has over 35 years of investment management industry experience, including time at General Motors Asset Management as Director of Global Equity Strategy and Trading. Bo holds a BA in Urban Studies and an MBA in Finance from the University of Pittsburgh.

Peter Madden

Peter is a Real Estate Portfolio Advisor responsible for sourcing and underwriting real estate investment opportunities, as well as providing portfolio management support for existing clients' real estate investments. He has over 30 years of institutional real estate investing experience including senior investment roles at APG Asset Management and General Motors Asset Management. Peter holds a BS from Skidmore College and a MSRED from the Massachusetts Institute of Technology.

Edgar Sullivan, CFA

Ed is a senior strategist on the investment advisory and solutions team at SECOR, responsible for macroeconomic research and analysis. He has over 55 years of investment management industry experience, including 25 years at General Motors Asset Management, where his principal responsibilities included the management of all asset/liability studies and oversight of the Global Tactical Asset Allocation program and asset mix/cash management. He holds a BA from Iona College and two graduate degrees in economics and finance, an MBA from New York University, and a PhD from the City University of New York.

Ryan Gartin

Ryan is an investment analyst on the advisory and solutions team at SECOR, supporting manager research across all asset classes with a focus on public equities and hedge funds. He is responsible for ESG Risk Analytics & Reporting. He has close to 10 years of investment management industry experience, including time at Strategic Investment Group and RBC Capital Markets. Ryan holds a BSc in Finance from Georgetown University.

Sam McKeown

Sam is an investment analyst in the advisory team at SECOR, supporting manager research across all asset classes with a focus on public and private credit. He holds a double major in Economics and Music and minor in Applied Statistics from Connecticut College.

Anja Needham, CFA (London office)

Anja is a portfolio manager on the advisory team at SECOR, supporting manager research across all asset classes with a focus on public and private credit. She has over 10 years of investment management industry experience, including time at Schroders Investment Management. Anja holds a BSc in Natural Sciences from Durham University.

Angela Xu, CFA

Angela is an Investment Analyst at SECOR, covering hedge fund investments and advisory research support. Prior to SECOR, Angela was a Senior Research Analyst at Optima Asset Management. She holds a BSFS in International Politics from Georgetown University.

Jason Allan, FIA (London office)

Jason is the Head of UK Distribution at SECOR responsible for sales, third party evaluators and marketing. Jason has worked in UK pensions for over 20 years spending the first half as an investment consultant setting risk budgets, reviewing investment strategies, and researching managers (for Hewitts and KPMG). In the latter half, Jason has been managing clients and leading on sales covering public, private and ESG investments for State Street Global Advisors (Head of UK Pension Funds) and Allianz Global Investors (Business Development director). Jason holds a BSc in Actuarial Mathematics from Heriot-Watt University, Edinburgh and is a fully qualified actuary (since 2006).

Andrew Bang

Andrew is a member of the client advisory and business development teams. He has responsibility for corporate ESG and Responsible Investment Research. He manages client relationships and provides manager research for private equity and real estate. He has over 25 years of investment management industry experience, including time at Drexel Hamilton Investment Partners, GE Asset Management, AIG Investments and UBS. In addition, Andrew served in the U.S. Army attaining the rank of Captain. He holds a BS degree from the United States Military Academy at West Point and an MBA in Finance from Cornell University. Andrew currently serves on the Board of Directors for Vancro Inc.

Erik Davey (London office)
Erik is a Director of UK & Europe based in London, with responsibilities in the client advisory and manager research teams at SECOR. He is the Chief Sustainability Officer and is a member of the ESG Committee. He has over 25 years of investment management industry experience, including time at Russell Investments and General Motors Asset Management as a manager in the fixed income and strategic solutions team. Erik holds a BA from Boston College and an MBA from Cornell University.

Gino Reina, CFA
Gino leads our private equity manager research and is a member of the client advisory team at SECOR, and is responsible for US client relationship management. He has over 25 years of investment management industry experience, including time at Segal Advisors as Director of Research, UBS Paine Webber, and Neuberger Berman as a portfolio manager on the mutual fund wrap platform. Gino holds a BBA in Banking and Finance from Hofstra University. In addition, he is a member of the Nominations Committee of the CFA Society New York and Vice Chair of the CFA New Jersey Group.

Simran Sunnar (London office)
Simran is a business development analyst at SECOR, responsible for supporting SECOR's business development efforts. Her experiences prior to joining SECOR include time at River & Mercantile. Simran holds a BSc in Financial Mathematics from the University of Hertfordshire, an MSc in Investment and Finance from Queen Mary University of London and is a CFA Candidate.

Phil Redding (London office)
Phil is an Advisor at SECOR based in London, with responsibilities in sales, third party evaluators and marketing. Prior to SECOR, Phil was Executive Director at Cardano and Head of Business Development EMEA at Aviva Investors. With over 45 years in the industry, Phil's background, in addition to the investment roles at Cardano, Aviva Investors and previously Credit Suisse, includes key pension roles in the DC world, at Zurich, CIS and as a pensions consultant at Hogg Robinson Benefit Consultants.

Saurabh Kelkar
Saurabh is a quantitative analyst at SECOR, supporting the quantitative strategy research and performance & risk reporting. Prior to SECOR, he spent 3 years at AlphaSimplex working as a quantitative researcher in their Managed Futures fund (CTA) as well as Risk Premia. He has also worked as a quantitative analyst at Credit Suisse, India before coming to the US. Saurabh holds a MS in Financial Engineering from University of California at Berkeley and B.Tech from Indian Institute of Technology Bombay.

Dylan Nalbandian
Dylan is a trader at SECOR, responsible for trade execution across a variety of asset classes. He has over close to 10 years of investment management industry experience, including time at Credit Suisse (Quantitative Investment Strategies, head trader). Dylan holds a BS in International Business and Finance from the University of South Carolina.

Parth Purohit
Parth is a portfolio manager at SECOR, responsible for managing various derivative overlay portfolios, hedging strategy design, portfolio construction and ESG Hedging Solutions for clients. He has over 15 years of investment management industry experience, including time at Citigroup. Parth holds a BS in Applied Economics and Management from Cornell University.

Steven Ryu
Steven is a portfolio manager/ researcher at SECOR, involved in the management of various derivative overlay portfolios, hedging strategy design and portfolio construction for clients. He has over 15 years of investment management industry experience, including time at Citigroup. Steven holds a BS and M.Eng, both in Operations Research from Cornell University.

Sawyer Sui, CFA

Sawyer is a portfolio manager/ researcher at SECOR. He has close to 10 years of investment management industry experience, including time at ACR Capital Research. Sawyer holds a BS in Applied Mathematics, Applied Statistics and Computer Science from Purdue University and a MS in Mathematics in Finance from New York University.

Berk Torun

Berk is a quantitative analyst at SECOR, supporting the quantitative strategy research and performance & risk reporting. Prior to SECOR, he spent 4 years at Glovista Investments. Berk holds a BSc in Industrial Engineering from Bilkent University in Turkey and a MS in Financial Engineering from New York University.

Samantha D'Aversa

Samantha is an analyst at SECOR supporting the exposure management and implementation teams. Her responsibilities include supporting clients through cash management, alternative asset tracking, and trade oversight. Prior to joining SECOR, she worked in asset management as a Client Service Associate. Samantha holds a BS in Finance from The Pennsylvania State University.

Patrick Lopez

Patrick is a manager in the exposure management and implementation team at SECOR, responsible for management and implementation of client rebalancing recommendations. He has close to 15 years of investment management industry experience, including time at Barclays Capital. He holds a BA from the University of Notre Dame.

Scott Carroll

Scott is the Director of Operations at SECOR, responsible for day-to-day trade support, position and cash reconciliation, cash and collateral management. In addition, Scott oversees the fund administration relationships for the firm. He has over 25 years of investment management industry experience, including time at Citco Fund Services, Tudor Investment Corp., QFS, Inc., General Motors Asset Management and DuPont. Scott holds an AS in Accounting, a BS in Financial Management, and a MBA in Finance from Goldey-Beacom College.

Tafadzwa Katiyo

Tafadzwa Katiyo is an operations manager at SECOR, responsible for day-to-day trade support, position and cash reconciliation, cash and collateral for commingled funds and separate account portfolios. She has over 20 years of investment management industry experience. Prior to joining SECOR, Taf was an operations manager with CITCO Hedge Fund Services. She holds an MBA from Mercer University and a BS in Finance from the University of South Alabama.

Rahul Jain

Rahul is an analyst at SECOR, responsible for supporting clients through treasury management, alternative asset, and trade oversight. He graduated from Rutgers with a double major in Finance and Business Analytics & Information Technology.

Edward Gabrielyan

Edward is an operations analyst at SECOR, responsible for day-to-day trade support, position and cash reconciliation, cash and collateral for commingled funds and separate account portfolios. He has 2 years of investment management industry experience. Prior to joining SECOR, Edward was with MJX Asset Management and Dow Jones Wealth and Asset Management Group. He holds a BA in Economics from Queens College and is a CFA candidate.

Tom Stephens, CFA

Tom leads our client reporting and performance analytics at SECOR, responsible for the production of client performance and risk monitoring reports. He has over 10 years of investment management industry experience, including time at State Street. Tom has a MA in Mathematics from The University of Cambridge.

Nick Allen, CFA (London office)
Nick is a Performance and Attribution Reporting Analyst at SECOR, responsible for assisting in the production of client performance and risk monitoring reports. He has over 10 years of investment management industry experience, including time at Northern Trust as an investment performance specialist. Nick holds a BCom (Honours) in Finance and Economics from Monash University.

Dave Morton, FFA (London office)

David is the Head of UK Investment Strategy. He is responsible for UK clients investment and funding objectives, strategic asset allocations, and endgame. He is a member of the ESG Committee. He has over 25 years of investment management industry experience including time at Mercer and was Partner and Senior Investment Consultant at Hymans Robertson where he advised corporate and local authority clients on investments, strategy, risk management, and responsible investing. David is a fully qualified actuary (since 2002), and holds a 1st Class BSc in Actuarial Mathematics and Statistics from Heriot-Watt University, Edinburgh.

Tameeka Bailey
Tameeka is a compliance officer at SECOR, assisting the CCO with all aspects of compliance with a particular emphasis on regulatory filings and CFTC/NFA compliance including responsibility for regulatory surveillance. She has close to 10 years of investment management industry experience. Tameeka holds a BBA in Legal Studies in Business from Hofstra University and a JD from Seton Hall University School of Law.

Dawn Drakeford
Dawn is the Director of Finance for SECOR, responsible for the production of financial reports and the management of accounting records. She has close to 20 years of industry experience, including time at Tullis Health Investors. Dawn holds a BS in Accounting from the University of Connecticut and an MBA in Finance from Northeastern University.

Eric Lok
Eric is the Chief Technology Officer at SECOR, working with the front and back office to build out the platforms necessary for trading and portfolio construction. He has over 15 years of investment management industry experience, including time at Goldman Sachs Asset Management. He holds a BS in Computer Science from Northeastern University and an MS in Information Systems from New York University.

Chris Savard
Chris is a manager of information technology and infrastructure at SECOR, including cybersecurity and compliance-related responsibilities. He has over 15 years of investment management industry experience, including time at Mount Kellett Capital Management, Fortress Investment Group and SS&C GlobeOp. He holds a BA from the State University of New York at Oneonta.

Candice Fang
Candice is a software developer at SECOR, working on the development of web applications and tools, and working closely with the portfolio managers, traders, and operation users on the support of the business process. She holds an MS in Marketing Intelligence from Fordham University.

Chris Naimo
Chris is a researcher/developer at SECOR, involved in risk analytics, machine learning, and systematic strategy research. His experiences prior to joining SECOR includes time as a contractor for Two Sigma. Chris holds a BS in Chemical Engineering from Villanova University and is currently pursuing a MicroMasters in Finance from MITx.

Caesar Xu
Caesar is a software developer at SECOR, working closely with the portfolio managers and technology team on the development and support of trading and analysis tools. He holds a MS in Data Science from Fordham University.

Sarah Colón

Sarah is the staff accountant at SECOR, responsible for US account reconciliation, invoice processing, and client fee tracking.. She has over 10 years of investment management industry experience including time at M+W Group, Perry Ellis, and The Jones Group. She holds a BS from the State University of New York College at Oneonta and an AAS from the Fashion Institute of Technology.

Ashley Daley

Ashley is the office assistant at SECOR, assisting and supporting the New York Team in all day-to-day requirements including building facilities management, scheduling, and various administrative tasks. She has over 10 years of customer related management experience. Her experiences prior to joining SECOR include time at Union Square Hospitality Group, NBC, and Ernst & Young/CBRE.

Verity Wakeford (London office)

Verity is the office manager at SECOR, assisting and supporting the London Team in all day-to-day requirements including building facilities management, invoice processing, client fee tracking, UK account reconciliation, and compliance administration. She has over 15 years of investment management industry Her experiences prior to joining SECOR experience including time at The Midland Bank, The United Bank of Kuwait, and Deutsche Bank AG.

Appendix B - Sample Plan ESG Dashboard

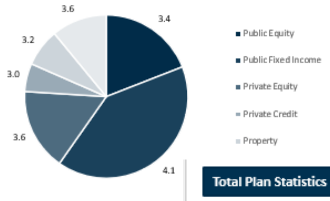
Overview | **31 December 202x** | **1**

Client A ESG Investment Beliefs

1. ABC
2. XYZ
3. ABC
4. XYZ
5. ABC
6. XYZ

Engagement Summary

Asset Class Weights and SECOR ESG Scorecard



As of December 202x, 100% of the outsourced asset funds that currently have an ESG policy in place. T previous year as those managers without a polic formalise their ESG beliefs and practices.

Based on the SECOR ESG scorecard assessment, the p of **3.7**, which is above average. Through a combina managers embracing ESG and portfolio weight mo previous year's score of **3.2**. The jump in score can be policy and integration approach, embracing more thi and carbon reporting and an increase in membership UK Stewardship and TCFD.

Total Plan Statistics | **31 December 202x** | **2**

SECOR ESG Questionnaire Responses

The SECOR ESG Questionnaire is sent out annually to all the underlying portfolio managers and sent to new managers. In the questionnaire managers are asked to provide information regarding ESG policy, beliefs, how it is incorporated into the firm and investment strategy and further industry collaboration. Although the managers often expand on their ESG efforts in their responses, the underlying questions within each category allow us to track the progress of managers at a high level. For example, the table below shows that 61% of assets in the NL Plan are invested with managers that engage third party ESG data providers.

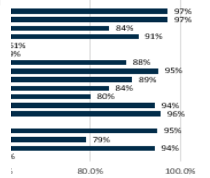
For managers that use a fund-of-funds model for their investment strategy, the analysis examines responses from the fund-of-funds manager as opposed to the underlying portfolio managers they allocate capital to.

Asset-Weighted Questionnaire Response Rates

On an asset weighted basis, the Client A's portfolio is invested with managers that have embraced ESG on both a firm and investment strategy level. Due to the asset mix of the underlying Plans, the portfolio averages are skewed towards responses from Public Equity and Fixed Income managers, the majority of whom have been quick to adopt ESG principals and allocate resources towards data and reporting.

As ESG monitoring becomes more ubiquitous across institutional investors, we expect to have better insight as to how managers in portfolios managed by fund-of-funds compare in these categories. In our discussions with the fund-of-funds managers in the portfolio, private asset managers have been slower to incorporate ESG into their process and instead employ firm level policies without changing the investment process materially.

A more detailed version of the analysis on the below can be found in the Appendix, which details the response averages to SECOR's annual ESG Questionnaire from each individual asset class and changes from 2021.



Total Plan Statistics | **31 December 202x** | **3**

SECOR ESG Scorecard

The SECOR ESG Scorecard is an assessment of the responses that are received from managers and seeks to dig deeper into their ESG process. The purpose of scorecard is to establish who the leaders and laggards are in the portfolio as compared to their asset class peers. The exercise is conducted on an annual basis by the asset class analyst and confirmed by the PM to monitor progress and maintain consistent ranking criteria.

	% of Total Score	Plan	Public Equity	Public Fixed Income	Private Equity	Private Credit	Property	Hedge Funds
ESG Policy	10.0%	3.9	3.6	4.3	3.8	3.2	3.5	4.0
Incorporation in Business	20.0%	3.6	3.3	4.0	3.4	2.7	3.3	3.8
Incorporation in Investment Process	40.0%	3.6	3.3	4.0	3.5	2.9	3.1	3.0
Memberships	10.0%	4.1	3.9	4.4	4.2	4.6	3.0	4.0
Regulatory	10.0%	3.8	3.7	4.0	3.3	3.9	3.3	4.0
Looking Forward	10.0%	3.6	3.2	4.2	3.8	1.2	3.3	3.6
Total Score	5.0	3.7	3.4	4.1	3.6	3.0	3.0	3.6
Manager ESG Scorecard Rank	N/A	Above Average	Above Average	Leading	Above Average	Above Average	Above Average	Above Average

SECOR ESG Scorecard Year-Over-(

YoY Change	Plan	Public Equity
% of Total	0.0%	-20.6%
ESG Policy	0.72	0.58
Incorporation in Business	0.57	0.44
Incorporation in Investment Process	0.49	0.21
Memberships	0.62	0.18
Regulatory	0.29	(0.05)
Looking Forward	0.29	(0.42)
Total Score	0.52	0.25

Asset Class Highlights

Asset Class Highlights

Global Equity	A robust ESG integration prog managers explicitly integrate Primecap, Arrowstreet and Ar ESG or revising their approach *MSCI E,S, and G scores than b* integration. SECOR continues reporting.
Global Fixed Income	100% of our Global Fixed Inco process and have done so in a committees. Over the past fev managers have continued to i carbon data). In addition, som and disclosures without sacrifi
Real Estate	100% of Client A's real estate and over 92% of the manager Investing industry initiatives. and considers ESG factors as a matter of industry practice where implementing LEED, and building certification programs are widespread. Leading managers are using more tools to improve efficiencies. SECOR seeks to continue to engage managers and to sh across managers. Going forward SECOR will consider pure ESG strategies in sectors su social housing and intensive asset repositioning strategies (ie: office conversions -good and good social impact housing, healthy cities, new building technology...)
Private Credit	Although many of our Private Credit managers do incorporate ESG into their process w potential risks and reward for an investment, the asset class has been slower to adopt formalized standards due to the hurdles associated with the nature of private investin the Client A Private Credit portfolio is largely made up of smaller managers and funds mode. We have seen further progress in the private debt space, primarily direct lendir ESG reporting (impact and environmental reporting) for newer funds in market. Howe older vintages of Client A;s private credit managers these will not be implemented in t portfolios. Direct Lending managers are further along in terms of adopting ESG as com Special Situation managers.
Private Equity	All three Private Equity Fund-of-funds are signatories to the UNPRI and have put polici integrate ESG into their investment process. However, the degree to which these thre have adopted ESG principals and resulting implementation has varied. Manager B is th ESG, having become a signatory of the UNPRI back in 2008. Since they have continued their monitoring of managers and reporting for investors through questionnaire scorin ESG reports for the portfolio. Manager A, a 2020 signatory of the UNPRI, is currently th behind when it comes to ESG. While PEM has taken significant steps to improve their reporting, they have been limited by available resources compared to Managers B an continues to push all three Fund-of-Funds for greater underlying portfolio company ES transparency. Over the last one year, we have seen significant progress in Manager C's ESG. Our pprogram's Venture allocation, which is largely due to Manager A's program, high E scores due to industry focus but lower S and G scores due to industry culture. W with Manager A and underlying venture GPs to improve S and G.
Hedge Funds	The variety of organizations and strategies comprising the hedge fund universe create responses and insights into the adoption of ESG principles. Due to increased awarenes inquiries, response rates improved with enhanced depth. Global managers have demo greater awareness, such as activist Manager Q initiating proxy challenges to improve g the many managers that do not trade public equities, we prioritize their internal organ governance as a measure of success. Many firms have hired staff to strengthen their E and communication.

Engagement Monitoring: Proxy Voting | **31 December 202x** | **5**

Public Equity Proxy Voting Status

In public equity investments, shareholders are granted voting rights that can be used to affect change within a company. If a stakeholder has an increasing equity stake, they will have a greater influence on future of the company. As such, investors with an ESG mandate or objective will use their voting rights to ensure that the underlying companies comply with existing and emerging restrictions and progressing on specific ESG-related goals.

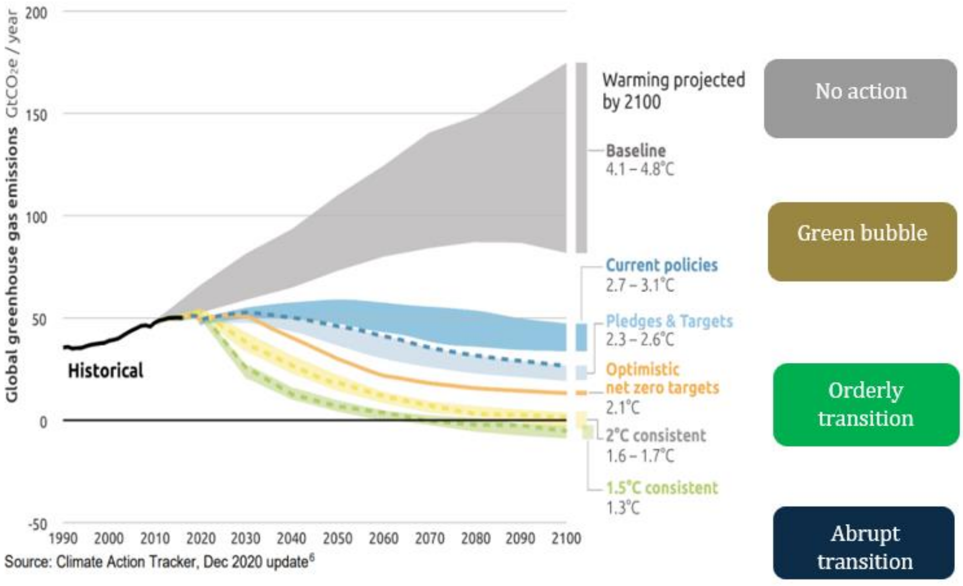
	Voting Policy	# Resolutions Eligible to Vote	% of Eligible Resolutions Voted On	% of Meetings with at least one vote against management	% of Resolutions Voted Contrary to Proxy Advisor Recommendation	Details Provided on Significant Votes?
Manager A	Third Party Policy	1489	100%	47%	None	No
Manager B	Third Party Policy	7402	88%	42%	None	No
Manager C	Manager's Own Policy	798	99%	55%	None	Yes
Manager D	Manager's Own Policy	829	100%	46%	13%	Yes
Manager E	Manager's Own Policy	549	100%	Not Reported	4%	No
Manager F	Manager's Own Policy	5659	100%	26%	2%	Yes
Manager G	Manager's Own Policy	83	100%	83%	11%	Yes
Manager H	Manager's Own Policy	3070	99%	Not Reported	None	Yes
Manager I	Manager's Own Policy	606	99%	47%	18%	Yes

The public equity portfolio is currently invested in several funds that are run by larger institutions that can influence the management teams of their holding companies due to their large asset base and ownership stake. All managers in the portfolio employ a Proxy Advisory Service (ie. Glass Lewis, ISS) and 89% have made alterations to the Advisor's recommendations. Proxy voting guidelines, whether determined by a third-party advisor or the manager, are documented in SECOR's Semi-Annual Checklist.

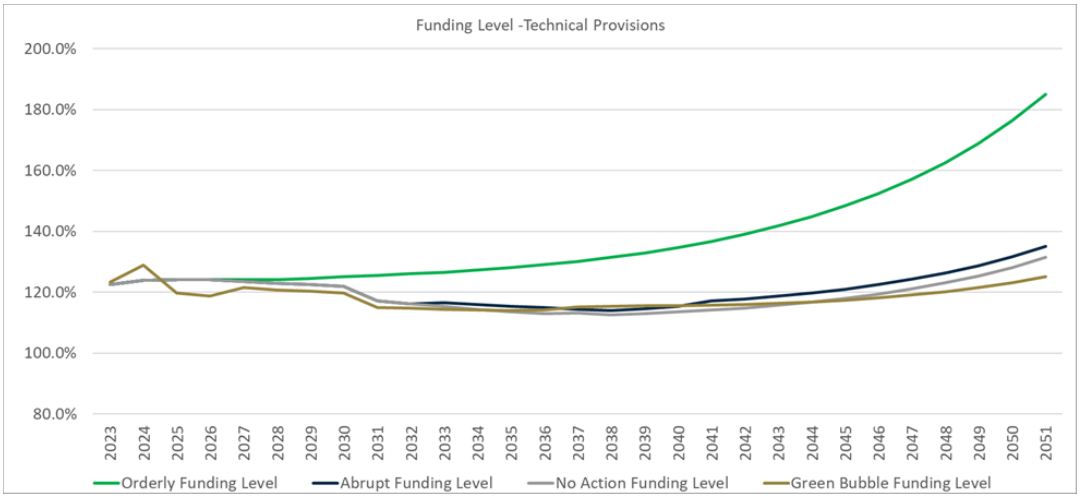
While proxy voting may be less important for more quantitatively driven strategies, such as Arrowstreet, policies for managers that are more fundamentally focused provide better insights to the investing process. For those with direct voting procedures, we pay close attention to dissenting votes against management suggestion. In addition to regular conversations with managers in the portfolio, engagement letters help to further illustrate how the managers interact with their portfolio companies and what situations warrant more dialogue. Given the growing importance of ESG in institutional investing, many of our portfolio managers have adopted voting guidelines that are aligned with guidance from the UNPRI.

Appendix C – Climate Scenario Analysis

SECOR undertake scenario analysis to assess client's exposure to climate-related risks. By constructing four climate-risk scenarios that project the assets and liabilities forward based on our assumptions we are able to model potential impacts on the client's assets and liabilities. The scenario analysis is assumption-based and has been conducted top-down rather than based on underlying holdings, for which there may be limited climate-risk information.



The below chart demonstrates the progression of a Client's funding level through to 2051.



The above chart illustrates the funding level of the Plan over time in all four scenarios (from 2022 to 2051- spanning 30 years). The Plan's pathways differ quite a lot in the short-medium term (5-10 years), but the Plan maintains a strong funding position over the longer term in all scenarios. The Plan funding level never falls below 110% in any of the scenarios analysed, including the Green bubble scenario. This illustrates that the Plan is well placed to withstand significant capital market shocks without a material deterioration in funding.

Appendix D – Client Portfolio Emissions Metrics

Metrics can help to inform the client's understanding and monitoring of their climate related risks and opportunities. Quantitative measures in the form of both emissions and non-emissions-based metrics, help the clients identify, manage and track their exposure to the financial risks and opportunities climate change will bring.

Sample output of Portfolio Emissions Analysis

Scope 1 and 2 data (whole Plan level)

Each metric calculated uses Scope 1 and Scope 2 emissions. We plan to provide results that include Scope 3 emissions in future reports as data becomes available. The statistics below account only for corporate emissions and do not include emissions connected to sovereign securities. This analysis excludes physical gilts as managers primarily report on carbon data related to corporate bond positions.

Absolute Emissions metric (whole Plan level)

- Total Carbon Emissions – Measures the carbon emissions of the portfolio in tons of carbon dioxide equivalent (in tCO2e)[12]. TCO2e includes emissions from carbon and other GHG emissions. The metric has limited use for comparison with other portfolios because it is not normalised by portfolio size.
- Normalised Carbon Emissions — A normalised measure (by $M invested[13]) of the portfolio's contribution to GHG emissions. Expresses the carbon efficiency of the portfolio.
- Total Carbon Emissions calculated as (Normalized Carbon Emissions x $M invested in strategy). Based on the available data assets produce approximately 11,544 tCO2e.[14]

Total Carbon Emissions (Tons CO2e) Scope 1+2				
Mar-2023	% of Plan	% of Managers Supplying Data	% of Managers using Benchmark as Proxy	Asset Class Total Emissions (tCO2e)
Hedged Equity	7.6%	0.0%	100.0%	9,860
LDI	92.4%	100.0%	0.0%	1,683
Total	100.0%	92.4%	7.6%	11,544

Emissions Intensity metric (whole Plan level)

- WACI — Measures a portfolio's exposure to carbon-intensive companies and indicates the potential climate change-related risks relative to other portfolios or a benchmark. It is useful for comparing portfolios across asset classes.

Weighted Average Carbon Intensity (Tons CO2e / $m Sales)				
	% of Plan	% of Managers Supplying Data	% of Managers using Benchmark as Proxy	Asset Class Weighted Average
Hedged Equity	7.6%	0.0%	100.0%	170.9
LDI	92.4%	100.0%	0.0%	5.3
Total	100.0%	92.4%	7.6%	17.9