STEWARDSHIP CODE 2023

CAMBRIDGE ASSOCIATES LIMITED

Reporting period: 1 January 2022 to 31 December 2022

In this year's report, we explore how our efforts to tackle the major issues facing our people and the planet continue to gather pace both within our immediate community and the wider investment sector. Our 2022 sustainable and impact investing survey indicated an increased focus - across the globe – from our clients on integrating sustainability into their portfolios, with a 28% increase since our 2018 survey.

With increased engagement from clients, catastrophic weather events around the world, and our own need to develop processes and reporting methods to meet our net zero pledge, 2022 was a year for meticulous planning and strategic thinking. Across all departments, from IT through to client reporting teams, processes have been discussed and re-worked to enable consistency for our clients who need support and guidance to address the urgent issues of our time.

Having formally assigned Simon Hallett as Head of Climate Strategy in 2021, his focus over 2022 has been further developing our firm's Net Zero Think Tank for investment service and research professionals. The Think Tank has become a pivotal hub for discussion and resources on reflecting climate change in how our clients invest and how we implement our net zero commitment. Simon has been responsible for managing this group and for sharing the learnings from his role as the Chair of the Net Zero Investment Consultants Initiative (NZICI)'.

Our Diversity, Equity and Inclusion team published its second report and, having set a five-year goal in 2020 to double our investments with diverse managers by the end of 2025, celebrated exceeding this goal well ahead of the target date this year.

We dedicated a lot of time to the sustainable and impact investing community outside of our own walls, too. Collaborating with the Investment Consultants Sustainability Working Group, Cambridge Associates played a leading role in developing a common reporting framework to enable a single way of reporting / logging themes within stewardship, thus making comparisons and trends easier to identify.

Our work across all aspects of stewardship is constantly evolving and gaining momentum. I am proud of the commitment and contributions I am seeing from across the Cambridge Associates community, both staff and clients. We are working with asset owners, asset managers and peers more closely than ever before in pursuit of more effective stewardship. We recognise that to make real change means stepping into new and challenging landscapes. I stand with our clients in driving forward the changes we want to see in the world, but I remain humbled by all that we, as investment professionals, still have to do.

Annachiara Marcandalli
European Head of Sustainability & Impact
Cambridge Associates Limited

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Principle 1:

CONTEXT

Signatories' purpose, strategy and culture enable them to promote effective stewardship

OUR PURPOSE

Cambridge Associates ("CA") is an independent global investment advisory and management firm. We aim to help private clients, endowments and foundations, and pension plans implement and manage custom investment portfolios that generate outperformance, so they can maximise their impact on the world.

CA was formed in 1973 in Boston, Massachusetts, to provide investment research and advice to a group of major university endowments in the United States. Our client base expanded beyond university endowments, to healthcare foundations, pension funds and other institutions, along with a select group of private families. We now have offices in six countries around the world; Australia, China, United Kingdom, Germany, Singapore, and the United States. We believe that putting resources on the ground in multiple financial hubs provides us with the greatest opportunity to uncover the best investments across all asset classes for our clients.

Our fundamental mission has remained unchanged: We strive to help long-term investors around the world to meet or exceed their investment objectives by providing proactive, independent and objective advice and portfolio management that is grounded in intensive and independent research. Unlike many other firms, we are not owned by or affiliated with any investment management firms, nor do we receive compensation from them. We invest heavily in understanding our clients - working with them to create customised portfolios.

We believe the following set us apart in sustainable and impact investing ('SII') and promote effective stewardship:

We are an SII pioneer	We have a global platform for sourcing and researching ideas	We have the scale to drive change	Customized portfolios to deliver targeted impact
▪ Dedicated SII team since 2008 ▪ 40+ years of history helping clients achieve both financial and mission-related objectives	▪ On the ground locations across the globe to source best-in-class ideas ▪ ESG factors integrated in due diligence across all asset classes ▪ Ability to triangulate across intersectional themes (e.g. climate change and social equity) leads to differentiated investment ideas	▪ Sophisticated client base at the forefront of social and impact investing, creating collective global momentum and peer learning ▪ Leverage to advocate for more rigorous and authentic SII solutions in the marketplace ▪ Use influence to mitigate greenwashing and drive real-world impact	▪ Deep partnership with clients to fully understand purpose, priorities, and principles ▪ Managers individually selected for client portfolios to meet both risk/return and impact criteria

OUR SERVICES

Signatories should explain the purpose of the organisation, what services it offers, and an outline of its culture, values, business model and strategy

Who we serve:

We're proud to help our clients achieve their specific investment objective, whether it's to educate more students, fund more grants, successfully fund their employees' retirements, or extend their legacy.

Endowments & Foundations
We help colleges, universities, foundations, and other not-for-profit organisations generate outperformance so they can maximize their impact on the world.

Healthcare Systems
We help healthcare systems invest their multiple, distinct asset pools by balancing investment return objectives and enterprise risks so that they can best serve the communities in which they operate.

Pensions
We are a fiduciary partner to owners of complex asset and liability pools such as corporate, public, and union retirement plans, focused on maximizing results for each valuable unit of risk and capital.

Private Clients
We forge deep partnerships and build custom portfolios designed to help individuals, families, and family offices grow their wealth and fulfill their personal goals.

Governments & Insurance
We work with large international pools of capital, such as insurance companies and sovereign wealth funds, to deliver risk-appropriate investment solutions, create effective governance structures, and oversee alternative assets mandates.

CA delivers a range of investment advisory and portfolio services, either on a total portfolio, single asset class or partial mandate basis to nearly 1,000 clients worldwide. Our combined assets under management and advisement as of 31 December 2022 was £456 billion.

How we serve:

- **Advisory Services.** For organisations who need an investment team to provide daily portfolio oversight but wish to stay involved in portfolio management decisions, we provide directive recommendations on asset allocation, portfolio structure, and manager selection. The client approves portfolio changes.
- **Staff Extension Services.** For organisations with significant investment staff, we augment their in-house resources flexibly with our manager networks and portfolio construction and asset class expertise.
- **Alternative Asset Mandates.** We have more than four decades of experience providing specialised investment advice, cultivating deep manager networks, and analysing robust data in private equity, hedge funds, real assets, private credit, secondaries, and co-investments.
- **Outsourced CIO.** Our discretionary model replicates the best practices of leading in-house investment offices. We are responsible for portfolio strategy, implementation, day-to-day management, and operations.

As a global investment advisory firm, we aim to help our clients build customised, long-term investment portfolios that generate outperformance. We do this by researching and monitoring top third-party managers in a rigorous and independent process and using our market coverage and due diligence to build bespoke portfolios for our clients. Indeed, as an independent firm we focus on total alignment with our clients' objectives in all that we do.

Customising our work to each client's unique objectives, in alignment with their mission, inherently results in more effective stewardship. Cambridge Associates' business model means that our sole focus is to do what is right for each individual client.

By working with CA, clients have the asset allocation and manager selections that best fits their needs. This means our clients can build deep investment partnerships with the asset managers they hire, which then becomes a virtuous cycle as it allows the asset managers to be better stewards of capital on our clients' behalf.

OUR VALUES

CA is committed to creating a unique, global culture that supports the experience of our entire community, with the following values present in all that we do:

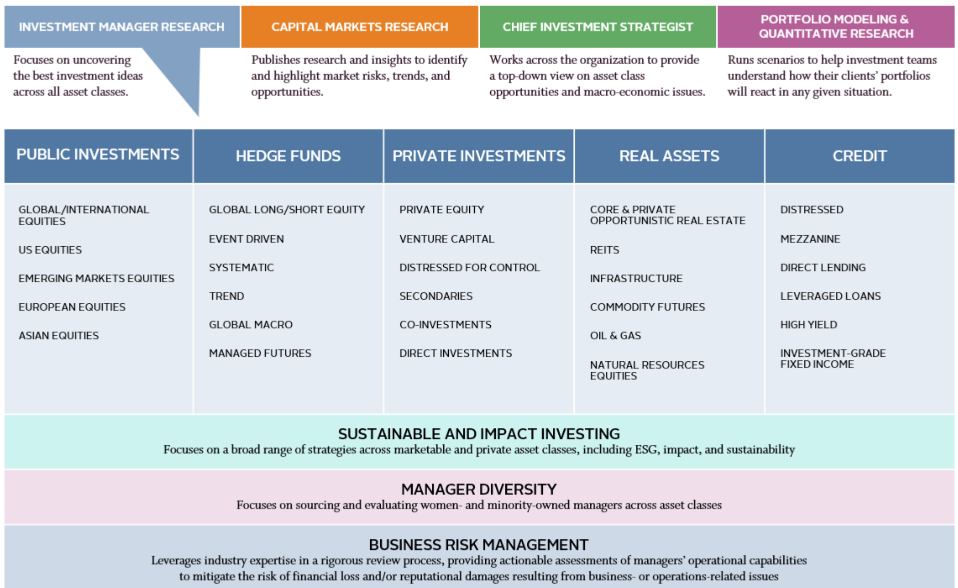
- **Clients First:** We strive to always act in the interest of our clients
- **Own It:** We strive to hold ourselves accountable to our clients and to each other
- **Be Bold:** We strive to learn and innovate every day
- **Collaboration Wins:** We strive to bring together diverse perspectives to best serve our clients and our firm
- **Seek Truth**: We strive to be transparent and authentic. We strive to listen to and learn from each other.
- **Kindness Matters**: We strive to care for and encourage one another. We strive to appreciate each other's contributions.

OUR CULTURE & STRATEGY

We never forget the better we do for our clients, the deeper an impact they can have on their philanthropic endeavours, their success in meeting pensioners' obligations, and their personal legacies. We are committed to helping our clients maximise that impact with portfolios that are calibrated to their specific investment objectives and risk tolerances.
Culturally, we believe that effective stewardship of capital *is* investing.

Promoting this effective stewardship is central in all our work. Our Sustainable and Impact Investing and Diverse Manager Research team members are embedded in Cambridge Associates' global research platform. These teams source and evaluate leading-edge sustainable, impact, and diverse manager investment opportunities across all asset classes. They also work with the rest of the research platform to ensure sustainability, climate and diversity considerations for all investments are included as part of our rigorous, standard diligence process:

SII and Manager Diversity considerations span all asset classes:

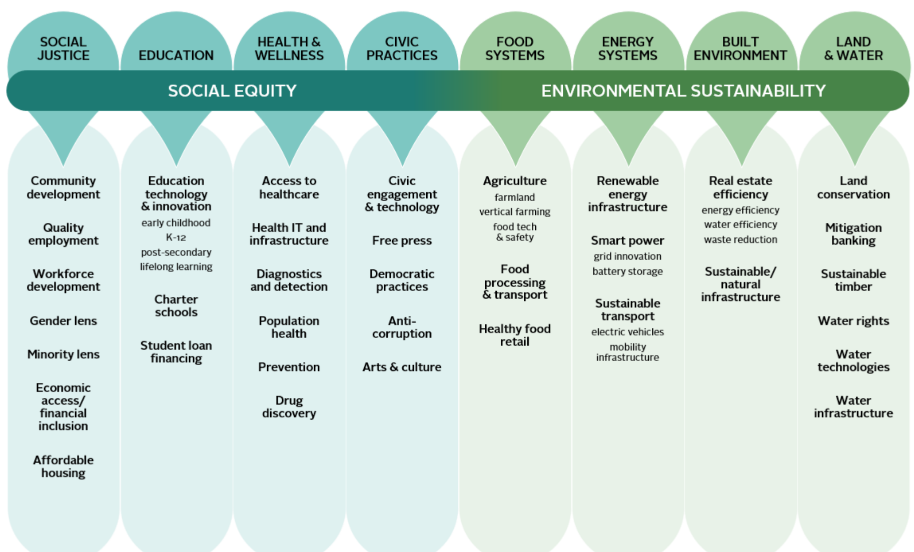


We recognise that stewardship requires combining multiple pillars of work, from corporate social responsibility through to effective integration of ESG (environmental, social and governance) factor and DEI (diversity, equity and inclusion) factors in our client work.

Several interconnected pillars for promoting effective stewardship in our client work

We believe material, good stewardship factors can positively impact the performance of investments and view ESG, DEI and climate considerations as being integral to the future of investing, for risk management, long-term value creation, and alignment with a client's own values. For every client that utilises our firm for sustainable or impact investing, we explore the themes that are most impactful to them as an individual or institution which we then use as our guiding principles.

Stewardship factors/themes we explore with clients



ACTIVITIES OVER 2022

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Principle 1:

ACTIVITY

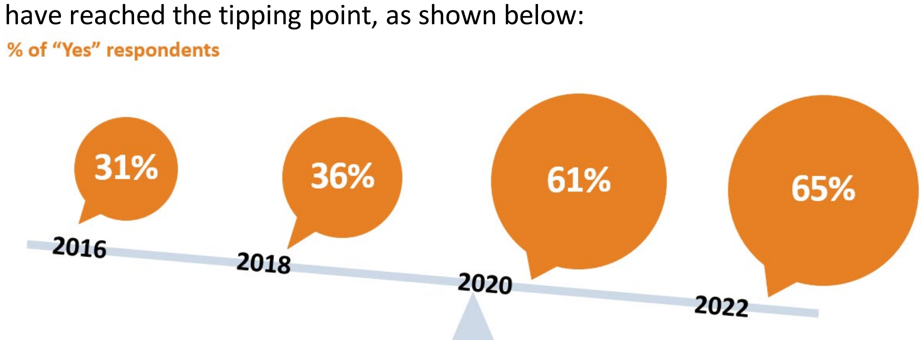
Signatories should explain what actions they have taken to ensure their strategy and culture enable them to promote effective stewardship

Beat our diverse manager investment goals – three years early
In 2020, we set a goal to provide greater options for our clients to access diverse managers, with the intention of doubling the asset base that our clients held with diverse managers by the end of 2025. We are very proud to have met that goal at the end of 2022 – three years earlier than planned.

Enhanced the CA Net Zero Think Tank
Simon Hallett, a partner from the CA London office, was invited to Co-Chair the Net Zero Investment Consultants Initiative (NZICI) in 2021. He played a key role in developing a reporting framework for the industry regarding emissions reporting and helped secure full membership for NZICI to Race to Zero. Over 2022, the work being produced for the NZICI has involved many key members from across CA as a global organisation and prompted several new strategic groups including a CA 'Net Zero Think Tank' where colleagues across our firm develop and share best practices from client and industry research. This successful dissemination of information has encouraged greater communication around major stewardship themes, beyond just the moniker of 'net zero' and extending to social and more stewardship themes. NZICI operates under the United Nations Principles for Responsible Investment. NZICI sets out actions that investment advisers will take to support the goal of global net-zero greenhouse gas emissions by 2050 or sooner, in the context of legal and fiduciary duties and specific client mandates.

2022 Sustainable and Impact Investing Survey
Every two years, we undertake a sustainable and impact investing (SII) survey of our clients. In 2022, we saw 88% reported an increased allocation to sustainable/impact funds. 90% of respondents indicated they plan to increase exposure to sustainable/impact funds over the next five years. The most common way of integrating SII was found to be developing the investment policy statement (64%). Resource efficiency and climate change were identified as the top priority for our clients, followed closely by social and environmental equity.

When we asked our clients **"are sustainable and impact factors integrated into investment decision criteria for any part of the portfolio?",** it became clear we have reached the tipping point, as shown below:



As a research-driven organisation, we rely on surveys like this to ensure that our clients voices are heard and that our strategy aligns with their vision for a more sustainable and equitable society.

2022 Diversity, Equity and Inclusion Report Published

We produced our 2022 DEI report which articulated our firm's continuing improvements on corporate social responsibilities and commitment to create and provide opportunities in the industry's we serve. You can view the report in full here.

Diversity, Equity and Inclusion ('DEI') Assessment of Managers via a formal due diligence questionnaire

In 2022, as an addition to the formal "ESG due diligence questionnaire" we introduced in 2021, DEI requirements were enhanced as part of the formal manager due diligence requests. The due diligence questionnaire is sent to all managers across all asset classes as a formal part of our research process. Every due diligence report we create for clients now includes both ESG and DEI assessments.

2022 New Industry Engagement and Memberships

Across the firm, we added the following to our list of industry partners and working groups covering key themes within stewardship during 2022:

- Institutional Investors Group on Climate Change (IIGCC)
- ESG Data Convergence Initiative (EDCI)
- Institutional Investing Diversity Cooperative (IIDC)
- Investment Diversity Advisory Council (IDAC)
- Initiative Climat International (iCI)
- Founding Sponsors of the United Negro College Fund Lighted Pathways Program
- Management Leadership for Tomorrow (MLT)

Net Zero Pledge & Internal Process Developments over 2022

As mentioned in the previous reporting period, we made a commitment to support our clients in targeting the real-world reduction of greenhouse gas emissions to net zero by 2050 or sooner, both for their portfolios and the economy at large. We formalised this commitment by signing the Net Zero Pledge in collaboration with eleven of our industry peers. Later in this report, we highlight the key activities during 2022.

We understand finding a feasible societal path to Net Zero needs "systems thinking" that recognises social justice considerations so that the transition is a just one. In Section 4, we provide further insight on what this means for how we deliver our investment services and what the commitment means for the market and our clients.

Climate change will be one of the most critical global issues for at least the next several decades. It is giving rise to new risks and opportunities that long-term investors will need to account for in investment decision making. We aim to lead the industry with new ideas, tools, and data to navigate this new landscape as it evolves.

Continued to help GFANZ members create robust Climate Action Plans

The Glasgow Financial Alliance for Net Zero ('GFANZ') is a global coalition of leading financial institutions committed to accelerating the decarbonisation of the economy. Simon Hallett sat on the GFANZ Portfolio Alignment Working Group, and over the course of 2022 contributed to a landmark report clarifying and laying out the different methodological approaches to assessing whether investment portfolios are aligned with the goals of the Paris agreement, including what data items were most relevant and how to interpret them in different circumstances and for different purposes.

Continued Providing Critical Input to the Investment Consultants Sustainability Working Group ('ICSWG')

Since becoming a founding member of the ICSWG UK in 2020, and ICSWG US in 2021, Annachiara Marcandalli a partner of the firm continued to play a role serving on the ICSWG Steering Committee throughout 2022, acting as the liaison between both groups. She is tasked with coordinating the UK Steering Committees' actions with the sister ICSWG organisation in the US so that action can have global impact. During 2022, the group published three important reports: "ESG Metrics for Asset Managers" – a list of ESG-related metrics that the ICSWG expect public equity and public credit asset managers to report on, "Glossary of Sustainable Investment Terms" – a glossary of terms, with descriptions from relevant sources, to demystify some of the language that is commonly used when describing sustainability in the investment world. And "The Early Stages of a Sustainable Investment Journey"- for asset owners in the early stages of their journey to find the right approach to investing sustainably.

Further carbon reduction initiatives across all offices

In 2022, we have further enhanced our carbon reduction plan, with the goal of reducing our global carbon footprint by 33% in 2025. This project started in 2019 with a carbon assessment. Using the learnings from this, we established policies to ensure we meet the objective. We have achieved carbon neutral certification across all our firm's global office in line with PA 2060 specifications.

Sustainability and Impact Investing training for all investment staff

Throughout 2022, the training programme we introduced in late 2021 - a mandatory Sustainable and Impact Investing Bootcamp Training for all European Investment and Research staff – was completed. The training was implemented to ensure that all global investment staff have a good standard of knowledge and expertise. The sessions included: **Setting a Sustainable Policy; Carbon Reporting and Net Zero Managers Sustainability Analysis; Engagement with Managers; and Portfolio Sustainability Analysis (MSCI and more).**

CASE STUDY FOR HOW WE SERVE THE BEST INTEREST OF CLIENTS

Case Study – The California Wellness Foundation ('Cal Wellness')

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Principle 1:

CASE STUDY

Signatories' purpose, strategy and culture enable them to promote effective stewardship

Our client, Cal Wellness, is one of the largest healthcare philanthropies with the bold vision that every resident in its community should enjoy good health and experience wellness – Cal Wellness has a £1billion endowment to support that mission. The foundation is working to provide the people of California with access to healthcare, quality education, good jobs, healthy environments, and safe neighbourhoods.

In 2018, the Board made the decision to elevate the foundation's impact by more closely aligning its investments with its mission. In doing so, the board also began to shift the portfolio's alternative investments from fund of funds to direct commitments in general partnerships, giving the foundation greater opportunity to align that portion of the portfolio with its overall mission.

CA provided advice to ensure their values were reflected in every part of the organisation, including within the portfolio, while at the same time, building exposure to private investments and diversifying strategies.

Beginning in 2018, the foundation chose to test its thesis that impact investing could provide competitive returns by creating a $50 million carve-out, which was piloted as a "mini-endowment" to serve as proof of concept. This "mini-endowment" mirrored the asset allocation of the broader portfolio, which made it easier to track performance and also helped the board decide where they wanted to make an impact

After a year, the board, investment committee, and staff were excited about the managers they were seeing — but the board realised the monies set aside for the pilot were too small relative to the total portfolio to be worth the additional governance and administrative resources required to do the job well. The foundation decided to expand its efforts by allocating an additional $50 million to a mission-related private investment mandate focusing explicitly on managers of colour.

By 2021, the foundation believed the pilot had proven itself. The investment committee was excited about the types of managers they were adding to the portfolio, and how well those managers aligned with what the foundation was doing in the community.

After conducting a governance study, Cal Wellness believed it was time to merge the impact portfolio back into the main portfolio, to operate the overall portfolio under their mission-related guidelines, and to select a partner to help oversee the entire portfolio. After a marketplace review, they chose Cambridge Associates based on our success with the impact portfolio as well as on the firm's ability to provide full-service operations and advisory services for portfolios of size.

By early 2022, the total endowment was managed as one mission-aligned portfolio A new framework and new investment policy statement was developed to increase the portfolio's mission alignment along two primary dimensions:

- **Manager Diversity:** To fully reflect an abiding commitment to its mission and its core values of racial and gender equity, the foundation seeks to achieve increased diversity within the portfolio. The goal is to "raise the bar" on mission alignment by assessing manager diversity as an independent factor from the alignment of a manager's investment strategy with Cal Wellness' values and priorities.
- **Manager Strategy Alignment:** The foundation seeks to increase the percentage of investments across the portfolio that have positive impact on the foundation's mission and/or reflect the foundation's values while earning a market rate return and contributing to the foundation's long-term financial stability and growth. Each fund manager and investment strategy is scored and ranked along an alignment spectrum ranging from "negatively aligned" to "targeted impact."

Over the course of 2022, the foundation systematically re-evaluated all its managers under the new mission alignment framework and approved decisions to increase the percentage of assets with diverse managers from 55% to 90 %. Importantly, during this period of market turbulence, the portfolio also continued to outperform its policy benchmark (which is based on standard broad-market indices).

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Principle 1:

OUTCOME

Signatories should disclose an assessment of how effective they have been in serving the best interests of clients.

ASSESSMENT

With the clear increase in engagement on, and further integration of, stewardship factors in client portfolios over 2022, we believe our clients have been effective in aligning their investments with positive stewardship outcomes. Because our advice is tailored to each individual client, our clients directly own the impact they can have on the world. We continue to believe there are two ways of assessing our effectiveness in serving the best interests of our clients. The first measure is our client retention which has remained at 94%[1] since the last reporting period. While client retention rates will not always correlate with client satisfaction, we are extremely proud of our client tenure, which averages 15 years, and we believe high retention rates help us to serve our clients' best interests as their needs evolve.

[1] Client retention does not necessarily indicate client satisfaction and should not be viewed as an endorsement of Cambridge Associates' services."

GOVERNANCE

2

Principle 2:

ACTIVITY

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

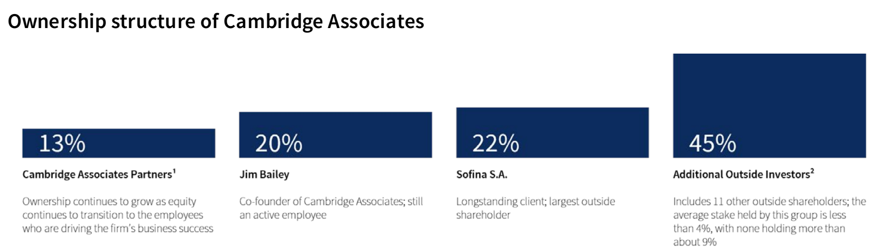
We build on our 50 years of experience in institutional and family governance to help our clients set up structures that are built for sustainability and success. Creating governance structures that are built to promote effective stewardship starts with key questions on the following:

PEOPLE	Who are our stakeholders, and why are we doing this?	What experience and expertise do we need to be successful?
PROCESS	Does the current structure enable effective decision making on investments, managers, philanthropy? Does the current structure enable or inhibit the pursuit of impact investments?	Have we established an efficient communication process by which stakeholders are informed of performance and impact? How is it measured?
ACCOUNTABILITY	What are the appropriate roles and responsibilities of each stakeholder?	Is every stakeholder given an opportunity to be heard?

We then use a 'Three P' framework: Purpose, Priorities and Principles. The Three P framework helps ensure that values and decision-making processes are advantages rather than obstacles in pursuing effective stewardship goals. By establishing guideposts, investors can link their broad motivations and objectives first to investment themes, and then to specific investment opportunities.

PURPOSE	Defining the **"true north"** of the fund and its investments
PRIORITIES	Mapping of mission to investment **themes**
PRINCIPLES	Articulating criteria that will inform investment **decisions**

Furthermore, our firm is - and has always been - independent and privately held. This ownership model underscores our commitment to a culture of independence and our dedication to mitigating conflicts of interest. All owners of the firm are minority shareholders, with no single owner holding a controlling interest in the firm. As the chart below shows, the owners of our firm are either clients or employees which ensures there is a strong alignment of interest. Such an alignment of interest promotes effective stewardship because everyone is working towards a shared goal. Below, we provide our firm's ownership structure chart:



1 Includes a combination of direct equity as well as profits interests and long-term option programs for senior employees responsible for the firm's business results. Profit distribution will increase as grants are made to senior leaders on an ongoing basis, further aligning incentives with firm performance.
2 Includes 11 other outside shareholders, all clients of the firm; the average stake held by this group is 4%, with none holding more than 10%. Includes a small equity stake held by the non-executive chair of the firm's Board of Managers.

Our firm's governance processes, and independent business model allow us to be agile in response to the fast-changing needs of our clients as they relate to stewardship. It is our privilege to work with clients across the globe who are facing up to the role they play in the investment industry and their impact on the future of our society and environment.

WORKFORCE

Signatories should explain how they have appropriately resourced stewardship activities, including their chosen organisational and workforce structure(s)

We believe the best way to ensure effective stewardship in our investment process is to make sustainability and diversity a mandatory part of our firm's investment research process. To this end, these teams represent key pillars within our investment research team. Our commitment to sustainability, diversity and to promote effective stewardship is driven by the most senior members of our firm, via our Leadership Team and the firm's Board.

We have two Councils who provide leadership on Sustainable and Impact Investing as well as Diversity, Equity and Inclusion. The Councils comprise of senior leaders from both investment research and investment professionals working directly with clients.

Sustainable and Impact Investing Council[2]

We formed a Council dedicated to Sustainable and Impact Investing (SII) in 2008 – it is a global team composed of investment researchers and client facing investment professionals. This team has played a vital role in developing responsible investment and ESG integration policies for our clients and for implementing procedures for our staff across the globe. The policies based on evaluations of the market environment and client needs inform our firm's strategy and vision on sustainability and impact. is the team is structured as a fully integrated resource and governance function of the core Global Investment Research Platform.

The Council is led by three partners of the firm and is based globally to provide the greatest insights. Annachiara Marcandalli, one of our Partners in the UK has been part of the Council leadership team for over three years. Oversight of ESG integration and stewardship comes directly from our firm leadership and reflects our conviction on the relevance of ESG for both our firm and our clients. Members of the SII Council below, with all data as of December 31 2022:

RESEARCH	CLIENT FACING
Liqian Ma – Boston (Co-Chair)	Tom Mitchell (Co-Chair) - Arlington
Carolina Gomez – Boston	Annachiara Marcandalli (Co-Chair)- London
Chavon Sutton – New York	Simon Hallett – London
Di Tang – San Francisco	Mike Pearce – San Francisco
Jasmine Richards – Boston	Sandy Urie– Boston
JP Gibbons – Arlington	Simone Balch – San Francisco
Lydia Guett – London	Wendy Walker – San Francisco
Madeline Clark – Boston	Carolina Gomez - Boston
Marie Ang – London	
David Gowenlock – London	

Diversity Council[3]

Our Global Diversity Council reflects a balanced representation of colleagues around the globe. The Council ensures our overall DEI strategy is aligned with our business, creates DEI goals and metrics, monitors strategy execution and outcomes, and reports overall DEI progress to the firm's management. Members are shown below:

[2] Please note employee data is for the reporting period. Some colleagues have since left the firm at the point of drafting in 2023.
[3] Please note employee data is for the reporting period. Some colleagues have since left the firm at the point of drafting in 2023

Leadership Team	Client Facing
Melinda Wright (Chair) - Arlington	Himanshu Chaturvedi – London
David Druley – Boston	Joe Marenda – San Francisco
Carrie Brown – Boston	Mary Jo Palermo – Boston
Chris Hunter – London	Mary Pang - Singapore
Hari Soin – Boston	Natalie Eckford, Arlington
Liz Ramos - Boston	Omar Sanchez, Boston
	Sona Menon – Boston
Shared Services	**Research**
	Research
Alison Proud, London	Carolina Gomez – Boston
Bryan Devereaux - Boston	Jasmine Richards – Boston
Kofi Jones - Boston	
Kristine Breslin - Boston	
Rob Rodgers - Boston	
Sherene Davidson - Boston	

SENIORITY, EXPERIENCE AND QUALIFICATIONS

Signatories should explain how they have appropriately resourced stewardship, including their seniority, experience, qualification(s), training and diversity.

Senior Staff[4] Focused on Sustainable & Impact Investing and Diversity, Equity and Inclusion

- **Liqian Ma** – Global Head of Sustainable and Impact Investing. 12 years at Cambridge Associates. Liqian leads the team in identifying and researching new impact investing ideas and specialises in constructing custom private investment portfolios. He previously was at GreenerU, developing a private investment vehicle to finance energy efficient projects on university campuses.
- **Annachiara Marcandalli** – European Head of Sustainable and Impact Investing 22 years at CA. Annachiara has more than 20 years of investment and impact experience and is a Partner at CA. She is the lead investor for clients with assets from $350m to $4bn, several of these clients are pursuing ambitious ESG integration strategies for the portfolio. Prior to CA, Annachiara was in the investment banking division of Lazard & Freres Italy.
- **Simon Hallett** – Head of Climate Strategy. 17 years at CA. Simon is a Partner at CA and has more than 30 years investment experience spanning governance and policy setting, asset allocation and manager selection. Simon has led development of the firm's approach to 'Carbon Net Zero' from an investor's perspective. Before CA he worked in a variety of

[4] All employee data as at December 31 2022, some team members may have retired or left the firm at the point of drafting in 2023.

international investment roles including in Hong Kong at a Japanese investment bank.

- **Jasmine Richards** – Jasmine is Head of Diverse Manager Research. 4 years at CA. Jasmine manages a team leading the initiative to identify & research institutional-quality investment managers across public and private asset classes that have underrepresented owners or leaders. Previously, she was at FIS Group where she identified and managed investment strategies with an emphasis on diverse-owned asset managers.
- **Melinda Wright**, Head of Diversity, Equity & Inclusion, Boston USA – Melinda leads CA's global efforts to increase diverse representation both internally and industry-wide. She supports business leads in building a stronger, more inclusive culture and in establishing key benchmarks for DEI, including corporate and social responsibility goals. Melinda participated in the McKinsey Fellowship for Black Executives and in 2015 was a recipient of the Triangle Business Journal's Diverse Leader Awards.
- **Carolina Gomez** - 5 years at Cambridge Associates. Carolina works on investment research with a focus on sourcing and increasing the number of diverse managers the firm tracks and rates across asset classes. Carolina previously worked in marketing roles at Kaufman Rossin and J.P. Morgan and has experience in the non-profit sector.
- **Chavon Sutton** – 2 years at Cambridge Associates. Chavon is responsible for conducting manager research and building SII focused portfolios. Chavon was the City of New York's inaugural Director of Emerging Manager Strategy for NYC's Bureau of Asset Management leading investments in diverse managers across all asset classes. She also was a Vice President at J.P. Morgan managing portfolios for families, endowments, and foundations.
- **David Gowenlock** – 1 year at CA. David is responsible for conducting manager research across all asset classes on funds with socially or environmentally sustainable strategies, and supporting client teams on the integration of responsible/sustainable investment principles in client portfolios. Prior to CA David worked at ClearlySo, and impact-focused boutique providing capital raising advisory services to European businesses and funds.
- **Di Tang** – 3 years at CA. Di works on investment research across all asset classes within the ESG and impact spectrum. Di was an Investment Director at Sonen Capital, a dedicated impact investment management firm. She previously was an associate director in the mezzanine debt and private equity groups at Barings.

- **JP Gibbons** – 3 years at CA. JP has deep sector knowledge on conservation finance and emerging market impact investing. JP used to work at USAID's Development Credit Authority where he led the Global Transactions Team which catalysed capital for impact through innovative blended finance structures.
- **Lydia Guett** – 7 years at CA. Lydia works on the integration of ESG and impact investment strategies into client portfolios, as well as ESG/impact investment research. Lydia joined from ASRIA-association for sustainable and responsible investment in Asia to create awareness about the risks and opportunities associated with climate change and low carbon investing.
- **Madeline Clark** – 8 years at CA. Madeline works on the development of impact and mission-driven strategies and she serves as the liaison for the SII Council, leading strategic initiatives around SII Platform expansion both internally and externally. Previously, Madeline worked in CA's Private Client Practice building custom investment portfolios for families and foundations.
- **Marie Ang** – 1 year at CA. Marie conducts investment due diligence on sustainable and impact investment opportunities, thematic research in areas of strategic interest, and supports client mandates to achieve greater impact and ESG portfolio integration. Prior to joining, Marie helped launch SVX, and impact investing firm spun out of MaRS Discovery District in Toronto, Canada.
- **Sarah Edwards** – 5 years at CA. Sarah conducts manager research through the lens of impact and ESG to support clients in activating these considerations in portfolios. Sarah has over 13 years of diverse experience in the nonprofit and private sectors. Prior to CA, Sarah was at Partners in Performance on operational improvement initiatives for industrial clients globally. Sarah
- **Tom Mitchell** – 15 years at CA. Tom is a Partner at CA and throughout his career at CA he has been a leader and champion for helping clients invest their portfolios for impact and mission alignment. Tom has more than two decades of experience in impact finance, before joining CA he was at Agora Partnerships investing impact capital in SMEs in Central America.
- **Mike Pearce** – 14 years at CA. Mike conducts investment manager diligence and develops investment strategy in support of clients with mission-related, ESG, and impact investment objectives. Mike previously was at Pacific Community Ventures, a hybrid private equity and non-profit organisation in San Francisco.
- **Sandy Urie** – 37 years at CA. Sandy is Chairman Emeritus and formerly served as CEO, Chairman, and COO of CA. Sandy was a member and vice-

chair of the Investor's Committee of the U.S. President's Working Group on Financial Markets (2007-2010) focusing on defining best practices in alternative assets. She was awarded the 2015 Investor Lifetime Achievement Award from Institutional Investor.

- **Simone Balch** – 3 years at CA. Simone is responsible for developing new private client relationships on the West Coast of the United States. She is passionate about helping investors align their capital to invest in a world that can be more sustainable, equitable, and just. Simone has held positions across asset classes on Wall Street, in non-profits, and impact investment firms.
- **Wendy Walker** – 11 years at CA. Wendy is a CIO within CA Capital Management, our outsourced investment office business. She is a member of our Mission-Related Investing Council, providing strategic guidance for the firm's sustainable and impact investing platform. Prior to CA, Wendy worked at Imprint Capital Advisors focusing on socially responsible and environmental-themed investment managers.

Employee Resource Groups

We have four Employee Resource Groups that are focused on supporting a culture of inclusivity and further advancing the firm's ability to attract and retain top talent and deliver superior performance and world class service for our clients. Over 700 colleagues across all our offices are part of one or more Employee Resource Group communities:

CA Pride. CA Pride is dedicated to representing LGBTQ+ employees.

CA Mosaic. CA Mosaic is dedicated to representing ethnically diverse colleagues.

CA Women. CA Women is dedicated to building a productive and supportive network that empowers women.

CA Allies. CA Allies was launched in 2022 to reinforce a culture of inclusivity through advocacy, support and commitment to a community where no one is left behind. Its mission statement is the following:

We commit to ongoing listening, learning, and advocacy. We will stand up, promote, support, and use our voices to amplify those of our underrepresented CA colleagues, so every member of our community is safe to be their truest self.

We pledge to use our privilege and platform to act with and on behalf of our CA colleagues to promote equality and quash systemic discrimination, and to build relationships anchored in trust and empathy. We recognise that we are imperfect allies and may misspeak, misstep and need to be corrected and to that end, we welcome feedback.

Teams to Cultivate Intellectual Capital Across Stewardship Themes

Our research team tracks sustainable and diverse managers globally across asset classes, and meet with them continuously to grow the pipeline of best ideas for client portfolios:

ASSET CLASS	SII MANAGERS TRACKED [1]	SII FUNDS TRACKED
MARKETABLE SECURITIES [1]	**124**	**627**
US Equity [2]	81	120
Global ex US Equity [3]	255	353
US & Global Balanced [4]	16	20
US Fixed Income [5]	39	57
Global ex US Fixed Income [6]	52	66
Real Estate & REITs [7]	10	10
Commodities	1	1
HEDGE FUNDS [1]	**40**	**66**
Concentrated Long	3	3
Credit Opportunities	12	12
Fund of Hedge Funds	4	4
Global Macro	5	5
Long/Short Equity	26	26
Managed Futures	1	1
Market Neutral	3	3
Multi-Strategy	9	9
Other	3	3
PRIVATE INVESTMENT FUNDS [1]	**417**	**1,203**
US Private Equity [8]	67	118
US Venture Capital	157	340
Global ex US PE [8]	75	144
Global ex US VC	60	107
Private Credit [9]	27	36
Control-Oriented Distressed	1	5
Real Assets [10]	179	376
Funds of Funds & Secondaries	30	75
Other	2	2
TOTAL	**581**	**1,896**

As of December 31, 2022.

Note: We define Sustainable & Impact Investing (SII) products as those focused on 1) Environmental Impact (investments in processes, products, or services that reduce negative environmental impacts or create positive environmental impacts); 2) Social Impact (investments in processes, products, or services that improve communities' social and/or economic wellbeing); or 3) Diversified/Other Impact (investments in processes, products, or services that are diversified across sustainable, impact, and ESG themes, and opportunities that do not meet specific environmental or social impact definitions). "SII product" is a designation used in our proprietary database and is based on manager-submitted survey data that is not independently verified.

[1] Total 'Managers Tracked' will not equal the sum of the strategies below due to managers offering products across multiple strategies.

[2] Includes US Equity ex-Small Cap and US Small Company Equity.

[3] Includes Asia/Pacific Regional Equity, Emerging Markets Equity, European Regional Equity, Global Equity, Global Small Company, Global ex-Australia Equity, Global ex-US Equity, Global ex-US Small Company Equity, Global ex-UK Equity, Global Natural Resources, Latin America Regional Equity, Middle East & Africa Regional Equity and Single Country Equity.

[4] Includes Global Multi-Asset Class, UK Balanced, and US Balanced.

[5] Includes Bank Loans, Cash Management, Convertible Bonds, High-Yield Bonds, Inflation-Linked Bonds, Municipal Bonds and US Bonds.

[6] Includes Asian Bonds, Emerging Markets Debt, Euro Bonds, European High-Yield, Global Bonds, Global ex-US Bonds, Global Inflation-Linked Bonds, and UK Bonds.

[7] Includes Multi-Asset Charity, Multi Country Real Estate Investment Trust, UK Property, and US Real Estate Investment Trust.

[8] Includes Buyouts and Growth Equity.

[9] Includes Credit Opportunities, Senior Debt, Specialty Finance, and Subordinated Capital.

[10] Includes Real Estate, Infrastructure. Energy Upstream & Royalties, US and Non-US Private Equity Energy, Timber, Agriculture, and Hard Assets Fund-of-Funds and Secondaries.

SYSTEMS INVESTMENTS IN 2022

Manager level data and analysis

Signatories should explain how they have appropriately resourced stewardship, including their investment in systems, processes, research and analysis.

We look to continually improve the tools and resources available to investment research teams for the purposes of assessing managers on material sustainability, DEI and climate considerations.. We first began collecting data on managers through our ESG and DEI Questionnaire in 2018 and have since had multiple campaigns to increase manager responses and update the Questionnaire over time.

Following the integration of an improved data collection platform, Diligence Vault in 2021, our IT department, during 2022, automated the process of bringing ESG and DEI data into Cambridge Associates' data systems and launched an internal user interface (UI) tool for viewing the ESG and DEI data. This platform allows us to view responses to the Questionnaire for the purposes of due diligence and client analysis. As an example, our investment teams are now able to see for all the managers in a client portfolio whether the underlying investment managers have an ESG policy, whether the organization is a member of PRI and many other key indicators. In addition to the new UI tool, select data points from the Questionnaire are integrated into our firm's proprietary research and portfolio analysis platforms.

Holdings level data and analysis

While the Questionnaire data provides valuable insights on the inputs to a manager's investment process, detailed analysis of holdings-level data is necessary to understand the outputs in the portfolio.

For Marketable strategies, we utilise MSCI's ESG Manager suite to measure a range of factors including carbon intensity, exposure to controversies, board diversity, and environmental and social impact.

Our firm's Investment Science team led a project to help automate the collection of holdings and associated ESG and DEI factors into our proprietary system, Portfolio Workbench. We intend to include this level of detail for hedge funds and fixed income managers but use sector proxies where holdings transparency is limited.

For private investments, due to limited availability of private company data, we utilise proxy data to estimate carbon emissions in private portfolios. We continue to assess ESG data providers for private investments as more come to market, and in the meantime, rely on public market proxies. As actual, manager reported emissions data becomes more widely available we will also incorporate this into client reporting as appropriate.

Reporting

Reporting ESG and DEI analysis to clients requires a combination of inputs (manager level) and outputs (holdings level) data. We have created an Excel based dashboard for interim use by client teams while the piping is built to our internal systems. Our goal is to roll out an ESG and Diversity dashboard in Portfolio Workbench for client reporting. The initial version of the dashboard will rely heavily on manager-level data and in phase two we will incorporate holdings level analysis. A priority will be placed on the data needed for an assessment of portfolios' Net Zero alignment.

PROCESSES, RESEARCH AND ANALYSIS

Stewardship considerations are integrated in our investment due diligence process:

OUR GOALS

- Find the best managers
- Get to conviction quickly
- Invest in the right managers at the right time
- Get the best economic alignment for clients (includes competitive management fees, incentive fees and other important fees)

WHAT WE LOOK FOR IN A MANAGER

ORGANISATION	ALIGNMENT	STRATEGY	PERFORMANCE	MARKET ENVIRONMENT
Partners' financial/ operational experience Networks of senior professionals and deal sourcing capabilities Is management team product of a spin-out? **Diverse ownership, management, and investment team** Team cohesion Junior and back office support Investment experience Commitment to product Experience, talent chemistry, and stability of the team	Ownership and economic distribution among firm employees GP commitment Performance-based compensation	Experience investing or operating in a sector Sourcing advantage/ industry relationships Value creation strategy Underwriting discipline Planned exits—in-place strategic relationships? Transparency **Incorporation of ESG considerations**	Performance attribution, if track record available How applicable is the track record? Approach to seed investments (VC) Consistency of performance relative to expectations	Value drivers Valuation Competitiveness Economies of scale Supply/demand dynamics

We have built ESG factors into our firmwide research platform and continue to monitor and amend our processes to ensure efficiency and effectiveness with best stewardship practices. All Cambridge Associates Due Diligence Reports, in every asset class, now assess ESG in the following ways:

Our assessment process shown in the table above provides clients with a rich set of investment opportunities with managers aligned with their stewardship objectives. In 2022, our Sustainable and Impact Investing team hosted over 300[5] manager meetings with strong ESG, impact and diversity attributes across all asset classes. CA's investment research is thoroughly vetted in a governance structure emphasizing robust peer reviews, with final assessments by investment committees comprised of asset class experts from our offices around the world.

[5] Data as of December 31, 2022.

Signatories should explain how the quality and accuracy of their services have promoted effective stewardship.

ESG due diligence process to ensure quality and accuracy

Our detailed due diligence questionnaires on ESG, Stewardship and Diversity, are adapted for different asset classes, and have been materially enhanced over time to expand analysis of how managers consider specific climate change risk metrics.

We capture data on details relating to ESG integration, stewardship policy and outcomes, voting data and transparency. For voting specifically, we do not hold listed equities directly, therefore our approach focuses on the assessment of managers voting policies and track records where we seek to gain comfort with their approach and alignment to strategy.

For private investments, we consider how ESG initiatives are directly supported in underlying holdings. This is delivered during due diligence and monitoring of investment managers through a web-based platform that also collects appropriate supporting documents covering policy and reported outcomes.

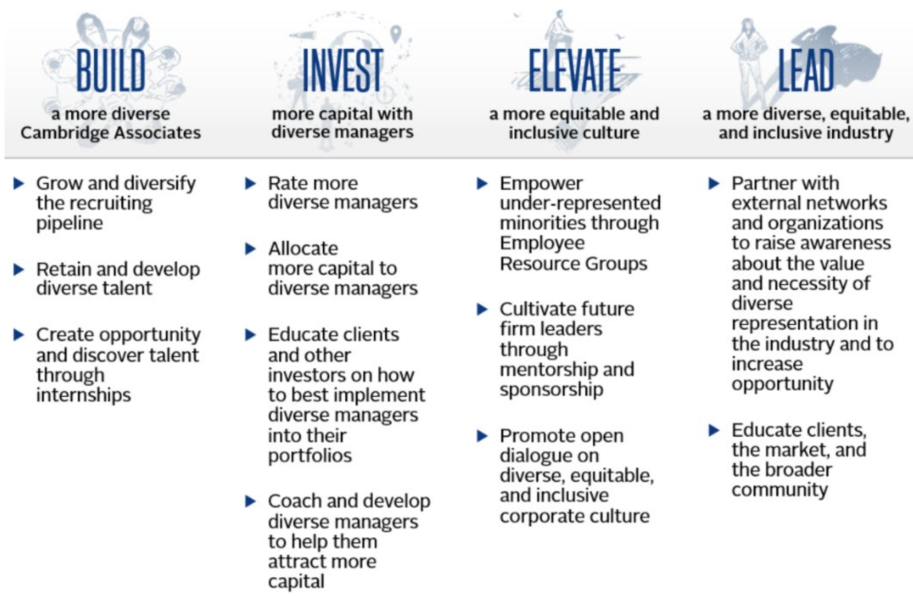
Effective stewardship comes not only from policies and processes but through the responsible allocation of capital. We therefore also assess the sustainability of underlying holdings of managers (when available) and client portfolios with a variety of internal and external tools. Some of the service providers we use include eVestment, Factset, and the full suite of MSCI ESG and carbon and climate tools. Sustainable impact tools allow us to assess client portfolio exposure to key social and environmental impact solutions.

We have continued to systematise climate risk considerations across our entire platform during the reporting period. Our bespoke grading systems for our clients grades two things: first, the manager and their activities (how well they are integrating sustainability, stewardship, voting, etc) and second, the analysis of underlying positions, using external tools. We tailor this analysis to each specific client's requirements.

We also continue to support our clients on navigating additional, important reporting and transparency requirements (e.g. Task Force on Climate-Related Financial Disclosures (TCFD) reporting, new Sustainable Finance Disclosure Regulations (SFDR), net zero frameworks).

DIVERSITY/SOCIETY FOCUS

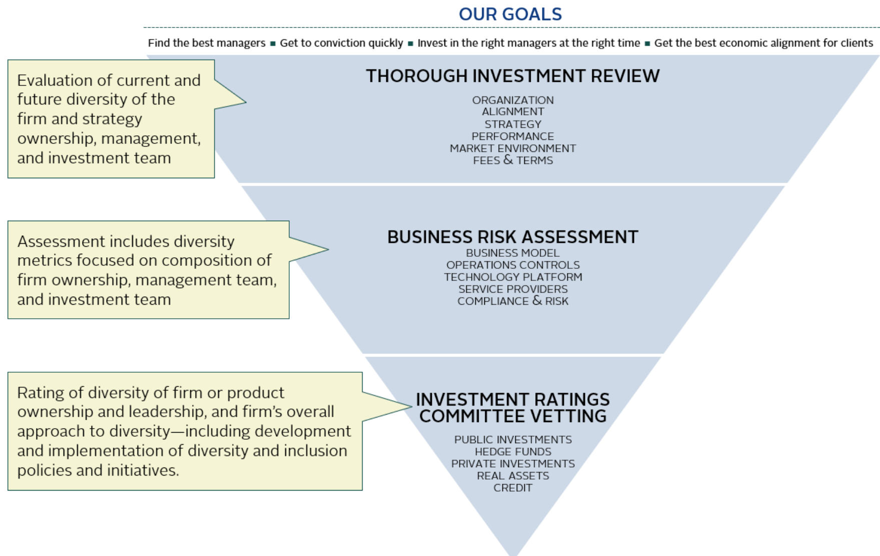
Cambridge Associates is committed to having a measurable and sustainable impact on the future development of our people, our organisation, our industry, and the global community. Embedded in our Corporate Social Responsibility Statement is a focus on ensuring that people with diverse backgrounds, ethnicities, and life experiences join, and then thrive in our firm and our industry. We accomplish this, in part, through our Diversity, Equity, and Inclusion (DEI) strategy, which consists of four primary efforts:



Furthermore, we focus on getting the right managers within our investment pipeline and applying an equitable underwriting process to those managers. Our dedicated Diverse Manager Research team is embedded in our global research platform. They source and evaluate diverse managers and funds across asset classes.

We also include diversity considerations in every step of our due diligence process. Our investment committees across asset classes examine the diversity of the fund's ownership and leadership team, as well as the organisation's overall approach to diversity, as integral components of the fund's evaluation for investment.

Ensuring quality and accuracy for diversity, equity and inclusion



STAFF TRAINING

Signatories should explain how they have appropriately resourced stewardship, including how the workforce is incentivized appropriately to deliver services and ensured that fees are appropriate for the services provided

During 2022 investment staff in Europe all received training on the key sustainability and impact investing need-to-knows – this was a continuation of training that began in the previous reporting period. Staff are encouraged to join industry working groups and to speak at conferences on stewardship issues. We have implemented stewardship training globally across the firm. This training is overseen by the Council we described in the section before, which is tasked with the dissemination of ESG/DEI knowledge across the firm. This continues to have an emphasis on:

- Sustainability and Impact investing developments;
- Diversity, Equity and Inclusion (DEI) education and training;
- Respectful workplace and behaviour training; and
- Carbon foot-printing and climate scenario analysis sessions.

We consistently review and, if needed, update our policies and benefits to ensure they reflect our broad commitment to diversity, equity, and inclusion.

STAFF ENGAGEMENT INITIATIVES

DEI within Employee Goals

In 2022, it was first announced that Diversity, Equity and Inclusion contributions will become part of each employee's annual review assessment. To demonstrate leadership and a clear commitment to its importance, our senior leadership (MD's, Partners, Extended Leadership and the Leadership Team) included a DEI focused goal as part of their individual goal-setting process in the earlier 2021-2022 performance period. Our commitment for 2022 - 2023 is to have <u>all</u> CA employees include a DEI focused goal in their individual goal setting process. Potential activities can relate to inclusion of DEI consideration in day-to-day activities as part of their function, to attending specific DEI training or to joining an Employee Resource Group.

Chris Varco Sustainability Award

As mentioned in the last reporting period, following the tragic death of one of our European leaders in ESG integration, we created the Chris Varco Sustainability Award. The first award submissions and results were announced in 2022. The purpose of the award is to incentivize and reward Cambridge Associates employees who are taking action that drives positive outcomes for climate change. Recognised efforts need not be large-scale, but rather something that moves the needle beyond the current course of momentum.

Examples:

- Someone who develops innovative solutions to help client teams better integrate ESG analysis in their decision making;
- Someone who changes the way we create waste in the office to lower our carbon footprint;
- Someone who finds innovative climate solutions managers and successfully drives client capital to them;
- Someone who helps a client understand the benefits of SII integration; or
- Someone who inspires others to walk to work instead of driving.

The 2022 winner received a personalised trophy and $5000 USD. An additional $5000 USD was donated to a climate organisation in Chris' name, as selected by the SII Council.

Remuneration

Cambridge Associates standard remuneration package consists of a base salary and comprehensive benefits package. Staff compensation is based on many factors including: client performance, client satisfaction and contribution to the overall firm – effective stewardship is embedded in the work we do, so it underpins all these factors.

APPROPRIATE FEES

For the majority of our services we charge asset-based fees. We believe this fee structure aligns our incentives with our clients' investment goals, providing both clients and our firm with financial benefit for generating outperformance. There are three fundamental components to the fees we charge our clients:

- We have a 90-day termination clause for all clients, meaning clients will never be "locked in" with our firm;
- Clients only ever invest in their name which allows them to own their impact on the world. Clients own all the relationships with their managers so in the event of a termination of our contract with them, clients do not have to endure complex unwinding of their assets going through cash; and
- Our fees are comprehensive and completely transparent – we do not have "add-on" services or products, the fee is set at the offset of the relationship or renewal period and is all inclusive. This means we are never trying to extort fees for additional services for our own benefit. Our only motivation is client satisfaction through achieving their investment objectives in a completely customised manner that is unique to them.

We actively engage with investment managers to improve stewardship in their existing products and have used our scale to facilitate the creation of new ones with better alignment where appropriate. We have also identified and invested our clients in new products with innovative approaches to ESG and stewardship, and in doing so secured preferential fees for our clients as first movers.

Our scale has allowed us to negotiate manager fees and terms for our clients

Each engagement seeks to improve the alignment of interests for clients

SOME AREAS IN WHICH WE NEGOTIATE FEES	SOME AREAS IN WHICH WE NEGOTIATE TERMS
Management fees	Liquidity
Incentive fees	"Key person" clauses
Ancillary fees	Access to closed funds
Aggregation of client assets	Hurdle rates
New share classes	Minimums
New fund seeding	GP commitment
Fund administration	Side letters

Since the beginning of 2016, we have secured 600+ fee concessions and improvements in terms and access for CA clients

RECENT EXAMPLES OF FEE REDUCTIONS WITH SELECTED FUND MANAGERS ACROSS ASSET CLASSES	
DESCRIPTION	FEE DISCOUNT PERCENTAGE
A Private Equity manager reduced their fee from 175 to 140 bps during the investment period and from 125 to 100 bps thereafter	↓20%
A Credit/Special Situations manager reduced their fee from 200 to 158 bps	↓21%
A Real Estate manager reduced their fee from 200 to 150 bps	↓25%
A US Equity manager reduced their fee from 50 to 35 bps	↓30%
A Systematic Global Macro Hedge Fund manager reduced their fee from 200 to 100 bps	↓50%

As of December 31, 2022. CA does not benefit nor receive compensation from managers in negotiated situations. All economic benefits accrue to our clients directly. Does not reflect the complete scope of feedback and influence on terms; includes negotiations that are no longer actively available to new capital. Terms may not be available to all CA clients; may be contingent on certain criteria such as client type, investment amount or aggregate CA capital invested with a manager or in a specific product; and are subject to change at the manager's discretion. For CA clients with non-discretionary relationships, fee, access, minimum, and other preferential terms are offered at-will. Managers may cease any such concessions at any time unless formal documentation between the manager and the client(s) has been executed.

2

Principle 2:

OUTCOME

Signatories should disclose how effective their chosen governance structures and processes have been in supporting stewardship; and disclose how they may be improved

ASSESSMENT

Recognising the need to provide more transparency on our governance processes, we have made improvements such as highlighting the three P process we apply to all investments. The global training programme we embarked on in our last report has maintained momentum and the trends we have seen from within our client base show this investment in our workforce to be well-timed as clients move their focus to improving stewardship outcomes.

The tools and systems we use are constantly evolving and there is still work to be done on creating standard frameworks for assessment on a host of stewardship issues and making processes less manual than they currently are. We are extremely pleased with how our efforts to fully integrate DEI and ESG in our investment research and client services has developed in 2022. To be in a position to say every due diligence report considers these key stewardship themes shows the urgency with which our clients and staff wish to see changes and improvements in the industry.

IDENTIFYING AND MANAGING CONFLICTS OF INTEREST

The identification, avoidance or management, and mitigation of conflicts of interest is an ongoing process. Cambridge Associates believes it creates a conflict-aware environment through its governance and oversight processes, communications with clients, disclosure reviews, peer review procedures, and its ongoing training, monitoring, and testing.
Core to this process are the following elements:

- The Firm's Compliance Manual and Code of Ethics which covers matters related to Market Abuse, Outside Business Activities disclosure, Confidentiality Obligations, Research Independence, Personal Account Dealing Reporting, Gifts and Entertainment, Inducements where separate guidance is provided;
- A centralised due diligence process for investments that undergo full investment evaluation with oversight by asset class research committees; and
- An annual conflicts disclosure process where conflicts are disclosed to all clients of the Firm.

Where a conflict is identified, we seek to organise our business activities in a manner that prevents the crystallisation of the conflict. This includes the appropriate segregation of functions and business lines such that a level of independence may be achieved.

Clients are provided with a description of the Conflicts of Interest policy as well as an Information Disclosure Document prior to the provision of investment services.

3

Principle 3:

ACTIVITY

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

PUTTING THE BEST INTERESTS OF CLIENTS FIRST

Clients First is the first core value of Cambridge Associates – We strive to always act in the best interests of our clients. With this in mind, Cambridge Associates maintains a Conflicts of Interest Policy which reflects our client first approach. An updated version of our Conflicts of Interest Policy was recently introduced which further increased our commitment to taking steps to identify, manage and, where appropriate, avoid conflicts of interest.

MANAGER RESEARCH

Where possible, we take active steps to ensure we do not create potential or real conflicts of interest when conducting manager research. One example is the information we collect on investment managers for the purpose of research. Our policy is we do not request, or receive, fees from managers for inclusion in our research databases.

We believe that assessing managers without any economic incentives leads to better outcomes for our clients and avoids potential conflicts of interest. From this position of independence, we feel free to negotiate, in our clients' best interests, on fees and terms with investment managers. It also allows us to be bold in engaging with managers to drive better stewardship behaviour.

The reasonableness of fees and investment terms an investment manager proposes for their services/fund is a core part of our manager research due diligence process. Since the beginning of 2016, we have successfully negotiated hundreds of concessions with managers, and we frequently use our influence with managers to affect change that aligns with clients. Importantly, where we negotiate terms, we have policies in place to ensure that all clients benefit from the reduction fairly.

By maintaining these stringent guidelines and devoting such substantial resources to our research, we believe that our clients have access to a wealth of truly unbiased manager information.

EMPLOYEE ENGAGEMENT

We have a robust training and governance oversight for all employees to ensure they understand their roles and responsibilities with identifying, managing and avoiding conflicts of interest. This oversight includes Ethics and Compliance training for all new employees and annual training for all existing employees. The training includes a mandatory examination on the subjects covered, including conflicts, money laundering and regulatory responsibilities.

OUTCOMES CASE STUDIES

3

Principle 3:

OUTCOME

Signatories Should disclose examples of how they have addressed actual or potential conflicts

1: Access Top-Tier manager at preferential rate

Cambridge Associates often have clients wishing to invest in top-tier managers, although the amount they have available to commit does not meet the minimum threshold for that manager.

An example of this occurred in 2022 where a highly regarded Infrastructure manager started raising for their latest fund. The investment minimum was c£20m, and we had a list of c50 clients which wished to invest. Many of these clients had commitment sizes less than the £20m threshold. To obtain access for our clients we created a feeder fund which pooled all the capital together which allowed every client to access the fund at a negotiated preferential rate with the manager.

2: Acting in the best interest of our clients

Cambridge Associates is a long-standing investor in private asset classes and provides clients with access to a range of investment opportunities. One investment theme in 2022 that was favourable for investors was secondaries investments. We realised to access this opportunity efficiently, it was necessary to pool client capital and so we created an aggregation vehicle referred to as CASA.

With providing this service we recognised the conflict of interest in being incentivised to include CASA in all discretionary portfolios to potential increase the revenue received by Cambridge Associates. Having recognised this potential conflict of interest we put in place the control where we require discretionary clients to confirm they are comfortable with an allocation to CASA prior to any investment taking place.

3: Treating clients equally

During 2022 we had two incidents where the client asked CA to commit its own capital alongside the client in their fund structure for alignment of interest purposes. Investors sometimes believe if a firm commits its own capital to the investment portfolio, the firm is running on behalf of the investor, that it will hold them to a higher standard.

On both occasions we declined to operate on the basis of committing capital as it raises the potential conflict that CA would treat clients with a higher standard of care where we have invested capital relative to those where we don't. Given our unique and diverse client base we believe that applying a universal approach across our clients is the most effective way to limit conflicts of interest.

MARKET-WIDE AND SYSTEMIC RISKS

4

Principle 4:

ACTIVITY & OUTCOME

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

Investors' heightened awareness of the need for long-term portfolio resilience from systemic risks in climate change and social inequality, among other stewardship considerations, has led to the increased use of their voice to seek change that benefits all investors and the broader system. In 2022, we continued to help clients adopt, or improve their active engagement practices.

Engagement has been and will continue to be a critical lever for investors to align portfolios with net-zero targets and seek real world change. Whereas divesting (screening) or proactive investing in positive solutions (impact investing) may lead to immediate outcomes for the portfolio, engagement may be a more nebulous and frustrating activity that may not yield immediate results because each individual investor or institution has limited influence.

Management teams may resist change, climate-related shareholder resolutions may fail, and proposed actions may be watered down in reality. Indeed, climate resolutions have historically received underwhelming support from some of the largest asset managers. Nonetheless, for investors that put in the hard work to refine their direct engagement strategies or back managers that pursue effective engagement strategies, we expect long-term dividends.

A growing number of fund managers across asset classes are employing engagement as part of their ESG strategies; this includes a meaningful percentage of both marketable and private managers. The key for us at Cambridge Associates in 2022 has been heightened transparency and accountability. Industry initiatives such as Say on Climate are recent examples of efforts to raise the bar. Moreover, engagement on climate change has increasingly focused on requiring portfolio companies to adopt science-based targets in line with the Paris Agreement.

As investors, our ESG questionnaire and research professionals work hard to combat greenwashing, as managers may claim to engage with management teams but show little evidence. Engagement strategies can vary widely, but we have found the most effective managers unlock investment returns as well as drive real world positive impact and we continue to guide managers and clients in this direction.

Much of the work we have been doing with the ICSWG UK has been explicitly addressing market-wide and systemic risks. Part of this work involved contributing to and publishing a report which aimed to standardise and coordinate work on how asset owners can have their voice heard through voting. This joint effort by all ICSWG UK members should help bring further transparency and consistency to processes. We feel it also shows the importance of collaboration across investment consulting firms to drive better stewardship.

THEMATIC RESEARCH & EVENTS

We produce significant amounts of thematic research and bring together our clients in a dedicated annual conference. All aspects of SII and DEI require continual research. In 2022, we wrote several research papers that were distributed to clients. These include:

- VantagePoint: Jumpstarting the Energy Transition
- Will Concerns Over "Greenflation" Derail the Energy Transition?
- Would Adoption of Policies Like the Rooney Rule by Asset Allocators Encourage Greater Diversity Among Investment Managers?
- Should the Latest Climate Research Catalyze Change in How Investors Think About Risk?
- Unblurring the Boundary Between Philanthropy and Impact Investing for Families
- Implementing a Sustainable and Impact Investing Strategy – A Family Perspective
- Does the Inflation Reduction Act Increase the Attractiveness of Clean Energy Investments?

In November 2022, we hosted the 8th Annual Impact Investing Forum (IIF) where we convened clients who are actively working to advance Sustainability, Impact, Net Zero and DEI as material considerations in their portfolios. The forum's theme was, *Resonance and Dissonance in Sustainability and Impact Investing,* where we sought to amplify voices, frameworks and tools to accelerate the transition to a more sustainable and just global economy. Simultaneously, we sought to challenge existing assumptions and embrace the natural tension that comes with spirited discourse when investing with a different lens. The conference featured investment managers, clients, and innovators as speakers.

INDUSTRY INITIATIVES

Signatories should explain the role they played in any relevant industry initiatives they have participated in.

In addition to being a UN PRI signatory, we have affiliations with Mission Investors Exchange, Confluence Philanthropy, the Global Impact Investing Network (GIIN), and various other investor groups and associations, listed below. Through these strategic partnerships, Cambridge Associates contributes to the dialogue on how investors can incorporate mission strategies into their overall portfolio and on the many opportunities that exist to pursue mission goals. We also benefit from the peer exchange of knowledge and ideas about impact investing.

Representative memberships include:

- UN PRI – United Nations Principles for Responsible Investing
- NZICI – Net Zero Investment Consultant Initiative
- IIGCC - Institutional Investors Group on Climate Change
- ICSWG UK and US – Investment Consultant Sustainability Working Group
- GFANZ – Glasgow Financial Alliance for Net Zero
- GIIN - Global Impact Investing Network
- Signatory of the UK Stewardship Code
- IEN - Intentional Endowments Network
- AVPN - Asian Venture Philanthropy Network
- TCFD – Task Force on Climate-Related Financial Disclosure

Our industry-connected work primarily focused on how to deliver on the nine **Net Zero Investment Consultants Initiative NZICI** Commitments we made as a firm, and we detail the progress made in 2022 below:

Commitment 1. Work with our asset owner clients to raise the urgency of net zero alignment and publish and promote our investment beliefs on climate-related risks and opportunities

- Published research reports and organised client education sessions on the relevance of climate change to investors, as well as a framework for incorporating into investment policy in a manner aligned with real world change and portfolio risk management.
- Started the process of testing climate related presentations to educate clients.
- Increased the number of clients for whom we report portfolio emissions data and the potential risks from exposure to high carbon businesses without a transition plan.

Commitment 2. Integrate net zero alignment into the investment consulting services we offer, as the default option, as soon as practically possible and within two years of making this commitment

- Created a cross-functional Net Zero Think Tank to identify and propose solutions to key strategic questions

- Built a Net Zero resources hub on our corporate intranet
- Introduced climate and net zero modules in staff onboarding and ongoing training programmes. Separate training was organised for CA Leadership and our CEO and President.
- Agreed upon a set of Net Zero Principles that will guide our decision making and implementation steps
- Commenced development of standard Investment Policy Statement (IPS) language for net zero aligned clients

Commitment 3. Support efforts to decarbonise the global economy by helping our clients to prioritise real economy emissions reductions, reflecting a fair share of the 50% of the emissions reduction target from 2010 levels by 2030 or sooner, as identified by the IPCC

- Emphasised in research papers and client educational material the distinction between portfolio decarbonisation and Paris aligned frameworks aiming at real world change.
- Built Paris-aligned interim and long-term targets into our default net zero policy language.
- Emphasised the importance of investment in climate solutions and built custom mandates for clients to do so.
- Expanded universe of investable real-world climate solutions opportunities across asset classes, including venture capital, growth equity, thematic long-only equity, and climate infrastructure.

Commitment 4. Set science-based emissions reduction targets across all our direct operational emissions, Scope 1 and 2, in line with 1.5°C emissions scenarios

- Set interim targets for reduction in firmwide emissions, including but not limited to business travel (our primary source of operational emissions), commuting, and our commercial real estate footprint.
- In 2021 we set a goal to reduce our organisational carbon footprint by 33% by 2025 from its 2019 baseline, from 7.23 tCO_2 per employee to 4.85tCO_2 per employee. Since most of our emissions come from air travel combined with space heating/cooling these are the focus of our attention. New travel policies have been instituted which combined with increased hybrid/remote working will reduce our travel related emissions. Firmwide CO_2 emissions for 2022 are currently being estimated by Watershed, our carbon accounting partner.

Commitment 5. Assess and monitor asset managers on their climate investment beliefs, competencies and ability to deliver on net zero commitments, both in their investment decisions and stewardship, and reflect this in any rating or recommendation

- We have integrated ESG factors, including climate competence, into our manager research and due diligence reports across all asset classes and developed a supporting playbook to help researchers follow through with discussion on climate topics with managers. Further work is in development to rebuild and expand our manager research framework on ESG, DEI and climate.

- We have added several questions specific to net zero in our standard manager diligence process.
- We measure carbon footprint of managers at the position level and increasingly push managers for improved disclosure especially regarding the degree of 'Paris-alignment' of their portfolio companies.

Commitment 6. Where we advise clients on their policies, support clients to develop policies that align with net zero commitments where applicable

- We have developed an introductory presentation as well as standard net zero IPS policy language to facilitate client decision making.
- We have worked with numerous clients to design and develop net zero commitments and policies, including those who are IIGCC members committed to reporting under the PAI framework.

Commitment 7. For investment mandates where we have full discretion as part of our fiduciary services, align with the Net Zero Asset Manager initiative

- We have agreed to codify a 'default' net zero approach for our discretionary business and are working with our discretionary portfolio managers to agree the approach and identify specific additional implementation needs.

Commitment 8. Where suitable net zero methodologies do not exist, work collaboratively for the benefit of our clients to address these challenges, seeking harmonised methodologies, including through the Paris Aligned Investment Initiative, Net Zero Asset Owner Alliance and Science Based Targets Initiative

- We are represented on the GFANZ working group on portfolio alignment and have also been engaging with the NGO 'Climate Arc' to improve the robustness and availability of portfolio company climate alignment measurement.
- We have joined and actively engaged with the ILPA ESG Convergence Initiative to encourage standardised collection and reporting of ESG metrics, including GHG emissions, of privately-held companies.
- We have joined both Initiative Climat International (iCI) and Institutional Investors Group on Climate Change (IIGCC).

Commitment 9. Engage with regulators and policymakers to facilitate the transition to net zero carbon emissions, addressing any barriers to our clients adopting and achieving their net zero targets

- We have responded to consultations from the US Securities and Exchange Commission, US Department of Labor, and CFA Institute on the incorporation of climate metrics and other material ESG information into corporate and fund-level reporting.

OUTCOMES CASE STUDIES

Firmwide Training

- Starting February 2022, we rolled out a comprehensive 'climate and net zero' training programme for all investment and business development staff. The aim of the programme has been to foster discussion and buy-in across the firm and to raise energy levels on the topic. In 2022, it included these elements:
- Extended interview-style Q&A session at February partner meeting to establish baseline knowledge and surface concerns, misconceptions, or original implementation ideas.
- Direct and tailored training for CEO and other CA Leadership team members.
- Development and delivery of tailored curricula for: analysts/associates, investment directors, partners/managing directors. Also incorporated into induction for new employees.
- Annual internal investment conference included sessions on "New Frontiers in Climate Innovation and Real Assets in a Net Zero World".

DRIVING ESG INNOVATION

5

Principle 5:

ACTIVITY

Signatories support clients' integration of stewardship and investment, taking into account material environmental, social and governance issues, and communicating what activities they have undertaken.

In 2022, we launched Series Two of our client-centric podcast, *Unseen Upside*. The podcast aims to disseminate the stories of our firm's most ground-breaking clients and managers and in 2022, every episode had ESG integrated and a client's story at its core. We provide a summary of each episode below to highlight our support for clients' integration of stewardship with materials ESG factors and how we helped communicate and amplify their activities/how Cambridge Associates helped them on the journey.

Episode 1. Earth: Mushrooms and the Future of Meat

Livestock take up nearly 80% of global agricultural land yet produce only 20% of the world's supply of calories—so how can we make feeding people more efficient? We visit an alternative protein company in Boulder, Colorado called Meati. There, we explore how a nutrient-rich fungi called mycelium is changing the game when it comes to protein consumption. It's better for people and the planet—yet somehow doesn't compromise on flavoUr. We learn about the future of nutritional ecosystems from Sam Kass (Acre Venture Partners); David Chang (Momofuku); Tyler Huggins (Meati); and Chavon Sutton (Cambridge Associates).

Episode 2. Air: Planting 20million Trees by 2030

For most of human history, we've been cutting down trees. However, the acceleration of carbon credit markets and the societal demand for climate solutions are pushing us to re-think our relationship with them. So how can investors earn a compelling return from planting trees while helping to sequester carbon and increase biodiversity? In this episode, we travel to Broadclyst, England to experience the innovation surrounding reforestation and how one organisation has the lofty goal of planting 20 million trees in less than 10 years. The podcast features Mark Wishnie (BTG Pactual); Peter Vermeulen (The National Trust); Phillip Smart (The Killerton Estate); and Annachiara Marcandalli (Cambridge Associates).

Episode 3. Fire: Net-zero Plasma Diamonds

Fire is often a marker associated with the worst effects of climate change. But what if fire could actually be harnessed to help reverse it? In this episode, we meet Diamond Foundry, a company revolutionizing the diamond industry with their affordable, lab-created diamonds—free from the myriad of problems associated with the mining process. We'll learn about the social and environmental impacts of this exploding industry and how investors are rethinking the carbon footprints of their portfolios. The podcast features Mona Akhavi (Diamond Foundry); James Joaquin (Obvious Ventures); Dame Caroline Mason (Esmee Fairbairn Foundation); and Simon Hallett (Cambridge Associates).

Episode 4. Water: Carbon-sinking Kelp Farms

Oceans make up 72% of the earth's surface and have absorbed around 40% of carbon emissions since 1840. As such, investors are increasingly putting capital to work in ocean-based businesses to both mitigate climate change and enhance the Blue Economy—but how? In this episode, we visit Running Tide in Portland, ME to see this concept in action. They use advanced aquatic growing systems and data science to grow shellfish and kelp forests. The result? A highly nutritious, sustainable protein and a natural carbon removal system. Join us to dissect this topic with Marty Odlin and Adam Baske (Running Tide); Marc von Keitz (Grantham Foundation for Protection of the Environment); Sidney McLaurin (Material Impact); and Sarah Edwards (Cambridge Associates).

Episode 5. Space: Zero Gravity Space Factories

We've all dreamt of traveling to outer space and recently, that dream has been more tangible than ever. But for those of us without a seat on the next rocket, how will space innovation improve our lives here on Earth? It turns out that the microgravity environment of orbit provides manufacturing capabilities that aren't possible on earth. It allows us to create things—think artificial organs, life-saving pharmaceuticals, fiber optic cables, and other products—that are superior to those created on our planet. In this episode, we explore the growing Space Economy with Delian Asparouhov (Varda/Founders Fund); Tess Hatch (Bessemer Venture Partners); Alex Readey (Cambridge Associates); and a seven-year-old aspiring astronaut.

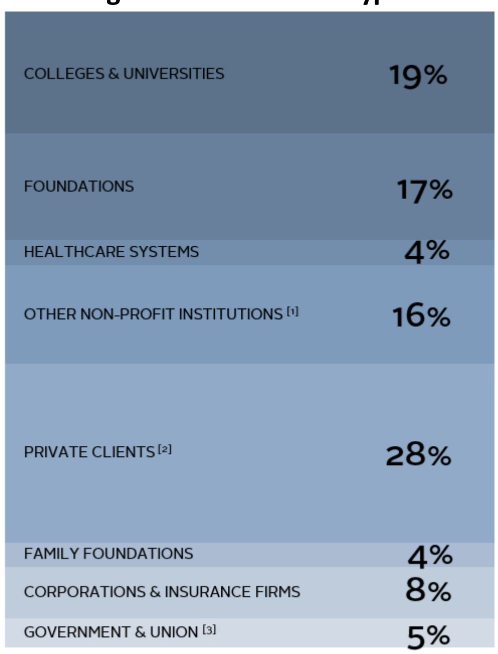
CLIENT BASE BREAKDOWN

Across our global organisation, we serve over 980 clients. We do not serve retail clients. Our client base consists of both institutional (endowment and foundation, pension etc.) and private wealth professional clients. These clients are based all around the world and represent over 30 individual countries.

Clients by geography

United States	Latin America	Canada	United Kingdom	Europe ex UK	Middle East & Africa	Asia	Australia/New Zealand	Total
713	**10**	**21**	**81**	**74**	**25**	**38**	**21**	**983**

Cambridge Associates client types



Data based on client count as of December 31, 2022.
n = 983. Percentages may not sum to 100 due to rounding.
[1] Includes a wide variety of non-profit organizations including, but not limited to, museums and libraries, independent schools, medical institutions, professional and research organizations, service organizations, religious institutions, performing arts institutions, and settlement trusts.
[2] Includes individuals, families, and family offices.
[3] Includes public and government-related funds, superannuation funds, and sovereign wealth funds.
[4] Client tenure does not necessarily indicate client satisfaction and should not be viewed as an endorsement of Cambridge Associates' services.

HOW OUR SERVICES SUPPORT CLIENTS' STEWARDSHIP

Signatories should explain how their services best support clients' stewardship as appropriate to the nature of service providers' business.

For all of the 980+ total clients, we are actively discussing how they can integrate more effective stewardship considerations in their portfolio either through direct communication in meetings and materials or via our bi-annual ESG survey which gathers broad feedback on what clients would like to pursue. In our Net Zero Pledge, we made a commitment to:

- Integrate advice on net zero alignment into all our investment consulting services as soon as practically possible and within two years of making the commitment;
- Work with our institutional asset owner clients to identify the investment risks from climate change, highlight the importance of net zero alignment and, where applicable, support our clients in developing policies that align their portfolios to a net zero pathway;
- Support efforts to decarbonise the global economy by helping our clients prioritise real economy emissions reductions, reflecting the target of 50% global emissions reduction by 2030 or sooner using existing decarbonisation methodologies; and
- Assess and monitor asset managers on the integration of climate risks and opportunities in their investment decisions and stewardship and reflect this evaluation in our client recommendations.

As a firm, we take great pride in our ability to customise our advice and create portfolios that align with a client's mission and contribute towards it. Our stewardship integration work includes not only the above emphasis on achieving net zero but also sourcing and selecting proactive investment focused on broader environmental sustainability, poverty alleviation, job creation, community economic development, public health, social justice, education, and other important causes. We also provide strategic tools such as positive and negative screening, ESG integration, proactive impact investing, shareholder engagement, and alignment with mission priorities.

We have more than a decade of experience of integrating stewardship into policy guidelines. At the beginning of each engagement, we conduct a comprehensive planning process to help a client establish investment strategies and policies with an explicit connection to its mission. This knowledge-sharing process is important for shaping investment strategy, defining decision criteria, developing implementation plans, and performing ongoing stewardship oversight.

As our client teams begin their investment planning work with each client, we interview key stakeholders to learn about their specific stewardship or impact priorities. We also make sure to have periodic reviews for longer standing clients across the firm as part of all clients' ongoing governance.

As we learn, we share and begin to apply a contextual framework to define three pillars of strategy—purpose, priorities, and principles—that guide policy development:

- An early focus on purpose is important; client stakeholders need to agree on the objectives for pursuing impact investments. We can provide education on impact investing and leverage discussion/decision frameworks to make it easier for clients to approve a statement of purpose that incorporates the financial and return objectives, as well as specific mission goals.
- The next step is to articulate the client's impact priorities, to link its objectives to investment themes, and find opportunities to address these themes. As the impact investing landscape has grown, so have global opportunities. Any mission-aligned opportunities should be considered in tandem with your grant making and ideally will complement—perhaps even enhance—any efforts to address your mission goals, and also leverage the expertise of staff and board members.
- Finally, the client team will help to write a statement of principles that will inform all investment decisions. Defining impact principles ensures that the purpose and priorities are well integrated with a client's existing investment criteria. For example, a principle could be "Investments are an opportunity for engagement through advocacy," meaning impact investments require advocacy through investment managers and with companies through shareholder discussions and/or proxy voting. In most instances, the principles expand and/or clarify the list of key decision criteria for our team as we source and assess investment opportunities. The principles help guide the implementation program.

We also discuss questions investors should consider when assessing how SII considerations will affect the portfolio's overall risk/return profile, including:

- Are there theoretical reasons to believe a given impact investment won't be able to offer market-rate, risk-adjusted returns? If so, are those investments worthy of a PRI allocation instead?
- Will impact investments lead to overexposure or underexposure to certain asset classes or sectors relative to how the portfolio would be structured without impact considerations? If so, how will this affect the portfolio's risk/return characteristics?
- If mission-aligned investments can't be found in a given asset class, will that asset class be exempt from the program's impact-related guidelines?

Other topics we typically address in initial meetings include benchmarks, managers' impact reporting expectations, impact reporting goals, and to what extent (if any) SII field-building and peer learning will be explicit objectives.

Many of our clients support environment, education, racial equity, and social justice interests. We help these groups develop investment policies that articulate their goals and investment strategy to achieve impact-based and financial objectives. For example, some clients desire to employ women and diverse-led managers as part of their mission. We help them to craft policy and construct strong, creative portfolios that support these goals. For clients concerned with environmental causes, we help them develop appropriate guidelines and measure the impact of our decisions relative to financial and ESG benchmarks.

All this work is bespoke, entirely tailored to each client's individual needs, and is responsive to feedback. One obvious benefit to clients from this approach is in private investments. When each commitment is made on a client-by-client basis, we engage directly with investment managers on the specific stewardship needs of that client. This may result in obtaining client-specific side letters covering issues like excuse rights on investments misaligned with a given client's responsible investment policy or guarantees on the provision of data on social and environmental outcomes.

5

Principle 5:

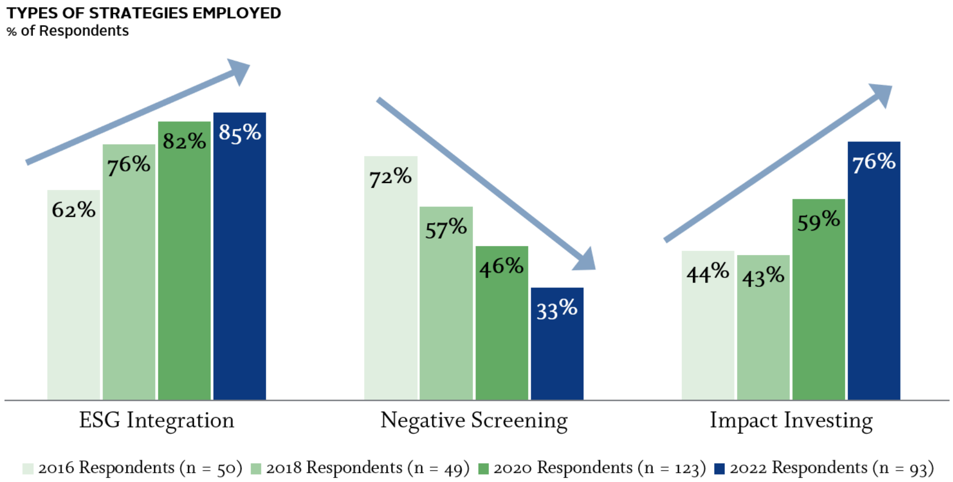
OUTCOME

Signatories should explain whether they have sought clients' views and feedback and the rationale for their chosen approach and explain the methods and frequency of communication with clients.

ESG SURVEY

In 2022, we undertook our bi-annual ESG survey of clients. 144 clients took part in the survey in total. Of those respondents not yet integrating sustainability/impact, over 40% anticipate doing so in the next two years. Earlier in this report, we also acknowledge that over 65% responded 'Yes' when asked "Are sustainable/impact factors integrated into investment decision criteria for any part of the portfolio?".

In the graphs below[6], we highlight how our clients' priorities have evolved over the last six years, to highlight that ESG integration and Impact Investing are the most common tools for effective stewardship:



Signatories should explain how they have taken account of clients' views and feedback in the provision of their services.

TAKING ACCOUNT OF CLIENT VIEWS

Each client team at the firm has a schedule for client check ins which generate feedback across all aspects of their relationship with our firm. These check ins are conducted by senior members of the firm and include questions on key aspects of stewardship.

We seek to operate as if 'down the corridor' from our clients which allows for, and encourages, a steady flow of communication. Senior members at the firm conduct client check-ins to solicit candid feedback on teams serving clients across the firm and to gather their views on our service, support and any areas with the goal of optimal effectiveness. The work comprehensive enterprise review before policy setting conducted at the onset of a client relationship allows us to set clear boundaries and expectations with clients from day one.

[6] Source: Cambridge Associates Sustainable and Impact Investing Surveys 2016, 2018, 2020, and 2022.

We have positioned ourselves in a manner that minimises conflicts of interest, so we are aligned to fulfil the missions of our clients.

We are continuously taking on board our clients' feedback and suggestions as well as making improvements to the services we offer based on our internal perspective. In the case studies below, we demonstrate the ways we engage with clients.

CLIENT ENGAGEMENT

Client case study 1: Net Zero

CA systematically engaged with the listed equity managers for two clients to align their portfolio with Net Zero objectives. Ahead of broad market adoption, we engaged with managers on their efforts with portfolio holdings to develop decarbonisation strategies, and targets aligned with Net Zero under the Paris Aligned Investment Initiative (PAII), such as externally validated targets like the Science Based Targets initiative (SBTI). Additional questions included if the managers had participated in collective engagements on Net Zero and how Net Zero alignment practically impacted their strategy. This led to more insightful reporting and discussions with managers in annual meetings.

Client case study 2: Hedge Funds

In accordance with the wishes of several clients with strong sustainability objectives, CA has continued with a multi-year effort of systematic engagement with hedge fund managers on disclosures and transparency, ESG and climate risk management. While progress is ongoing, 11 managers have made meaningful progress. Some highlights include a manager who has established an ESG policy and an ESG and Risk Committee. Further, the manager has started to integrate ESG risk assessments into their investment process, report on portfolio emissions, and conduct trainings on ESG and DEI. Another manager has shared their carbon footprint report for the year with CA for the first time.

Client case study 3: Manager Selection policy

A CA client has clear ESG and DEI priorities. CA worked with the client to craft twelve critical questions related to ESG and DEI to help guide manager selection. As an example, one question presses managers to discuss recent controversies or controversial holdings. The questions are intended to deepen the client's understanding of how their managers are addressing key issue areas, as well as provide CA an opportunity to communicate the importance of these issues to the managers.

Client case study 4: Exclusion review

As part of regular stewardship, CA performed a screening of a client's listed equity portfolio. A company was flagged as it contravened both the client's exclusion and the fund exclusion list. CA engaged with the manager regarding the reason for holding the stock. After this discussion, the manager divested from the company by the following quarter.

Client case study 5: Driving product innovation

A CA client adopted a fossil fuel divestment policy in 2018 with a timeframe to be completed by end of 2022. On behalf of the client, CA engaged a manager on climate risk and their consideration of carbon intensity and company level emissions. Rather than exit from the fund, CA engaged to establish an ex-fossil fuel vehicle. CA canvased other CA clients invested with this manager to gauge if there was greater interest for an ex-fossil fuel vehicle. Close to half of the existing clients in the fund indicated that they would at least consider an ex-fossil fuel version. This served as a clear signal for the manager regarding the materiality of climate risk, who then launched the ex-fossil fuel product. This demonstrates the power of collective engagement across CA's client base. In addition, CA met with the Head of Research to discuss the manager's plans for engagement with carbon intensive companies in their investment universe. This conversation led to the inclusion of a carbon emissions and intensity screen in the ex-fossil fuel product.

MANAGER ENGAGEMENT

Since our clients invest directly with managers, we also see it as our duty to engage with managers, providing them with our feedback and exploring ways for them to better aligned with the key principles of good stewardship. Some examples over the 2022 reporting period include:

Manager case study 1:

A longstanding, value-oriented manager sought CA's guidance on ESG best practices. CA explained the importance of viewing ESG through a materiality lens and embedding an ESG philosophy across the firm to ensure authenticity. Although the manager still remains in the early stages, they have brought more coherent integration into their strategy by incorporating ESG factors into the investment process, establishing an ESG advisory committee to evaluate current and potential investment opportunities, and hiring a dedicated ESG specialist.

Manager case study 2:

CA has had ongoing conversations in 2022 with its Asia Equities managers about forming ESG policies, improving DEI, and making stewardship efforts. Following these discussions, three managers introduced ESG policies, and one will start to report against their local Stewardship Code. CA engaged with the CIO of a fourth manager in the region to increase gender diversity in their male-dominated workforce. This engagement is important for the broader market, as the manager is a top employer in the area. The manager has taken initial steps to facilitate making more diverse hires, for example running internship programmes for diverse talent and creating opportunities for lateral transfers. The manager still has room to improve, as they lack a formal DEI policy;

however, they have made a meaningful initial step. CA will continue to monitor for continued changes to take effect over time.

Manager case study 3:
CA engaged a VC manager, who does not have a DEI policy, about their unclear and inconsistent ESG and DEI processes. In an initial discussion, CA discussed the importance of developing and retaining diverse talent, and the manager agreed to complete CA's ESG and DEI questionnaire. Following a second discussion, the firm agreed to pursue implicit bias training in the next 12-18 months, and CA shared publicly available DEI playbook resources with the manager. The Team shows they are increasingly aware of the role of DEI within the VC ecosystem and their need to take further action. The manager also acknowledged their need to more thoroughly integrate ESG considerations into their investment strategy.

Manager case study 4:
CA engaged a VC healthcare manager about their management team diversity and the implementation of their ESG policy. The management team lacked diversity but had started to make diverse hires at the junior level. CA discussed with the manager that it would be important for diverse hiring to reach the management level, and explained that this has been flagged as an area for development. The manager joined investor initiatives to support their progress in this area. CA will continue to monitor these efforts. Separately, the manager’s ESG policy was not well-defined in its application to investment processes. CA pointed this out to the manager and encouraged them to consider the intentionality of the policy and to work to apply it across the team and investment processes. Further, CA has discussed with the manager how the policy’s implementation could be monitored and translated to the patient experience across portfolio companies.

Manager case study 5:
CA engaged with a listed equity Manager on their poor track record on climate resolutions voting. Previously, the manager had voted against more than 90% of climate resolutions. Following CA’s engagement, the Manager changed its standard proxy voting policy to one that supports climate resolutions deemed economic by their responsible investment team, and a portfolio manager now must actively justify voting differently.

Similarly, CA engaged with another listed equity Manager on their poor track record on voting and engagement, which led them to tighten several of their policies, such as lobbying disclosures votes related to climate issues. CA successfully advocated for an enhanced ESG voting policy and an engagement overlay for clients.

EVALUATION

Signatories should explain the effectiveness of their chosen methods for communicating with clients and understanding their needs, and how they evaluated their effective

We believe that through a combination of training internal staff, contributing to and learning from catalytic industry groups, we have made great strides in 2022 and found ways to better collaborate and communicate with our clients.

Our podcast, as detailed earlier in this section, recognizes that we as a firm are privileged to work with some truly awe-inspiring and pioneering clients who have the power to make real change when it comes to stewardship themes like protecting the planet and improving diversity. Being able to shine a public light on the way our firm's investment advice helped these clients to achieve their stewardship goals is exhilarating as we do believe there is time for the industry to realise its potential for good over greed.

Over the course of 2022, we have continued to take feedback from our staff, clients and external partners to create robust plans that aim to improve reporting, policy and procedures. In our work with the NZICI, we have embarked on projects that will benefit the community far beyond the boundaries of our own firm, because we acknowledge that to make the most impact, it will take the whole industry's collective efforts. The better we understand our clients' needs, through regular communication, interviewing and surveying, the more we can do to improve the standards of – and standardisation in – the financial industries.

Every action taken to promote stewardship across Cambridge Associates Limited as included in this report, and indeed the report itself, has been reviewed and signed off by our Board. The Board demands regular reporting on our progress. It is our privilege to help private clients, pension schemes, endowments and foundations achieve real impact via their investments and we feel confident that with our continued focus on incorporating sustainability, diversity and environmental considerations into our work, we are showing the industry what it means to be effective stewards of capital. Overall, we feel that we are moving in the right direction and effecting change.

6

Principle 6:

ACTIVITY

Signatories review their policies and assure their processes.

REVIEW OF POLICIES

During 2022 our SII Council met at least quarterly, with sub teams meeting at least every month to discuss, improve and review policies in relation to ESG and DEI. Some key developments in the reporting period included:

- Our Global Investment Services and Business Development teams conducted an in-depth analysis of client and staff engagement with sustainable and impact investing. The analysis sought to establish, across our global client base, the spectrum of alignment with material stewardship factors on a scale of "highly engaged" to "not showing interest". The initiative was backed and conducted by key members of the firm's SII Council and the goal was to promote more effective stewardship by sharing the outcomes of the 'highly engaged' clients with the 'not interested' clients.

- The findings from this internal study were shared with the firm's leadership and led to several improvements:
  - To manager stewardship ratings and research to better integrate ESG factors
  - Improved monitoring of both SII and DEI factors in client portfolios
  - Better assessment of manager engagement on climate and other stewardship themes.
- Training of UK staff on climate and net zero related issues to help improve and standardise processes and reporting.
- Net Zero Think Tank meeting regularly to explore areas for improvement and review of processes to improve the client experience – a cross practice group including both Investment Research and Investment Services.

Furthermore, we encourage our clients to review their investment policies annually and our team has implemented various tools to ensure investments align with client stewardship goals. We believe it is important for our own internal ESG and sustainability goals to be closely aligned with the advice and portfolio management decisions we provide.

Progress towards our ESG and stewardship goals is tracked by our firm's Management Group as part of their agenda. In addition, the Management Group periodically invites members of the Sustainability and Impact Investing team to discuss the Firm's approach to ESG and whether improvements or enhancements can be made to the current plan.

ASSURANCE OF PROCESSES

We will always consider our staff training and our client feedback to be the two most important pillars in assuring our processes are robust and where either side feels improvements can be made, we take steps to address their concerns.

Throughout 2022 and beyond, our SII and DEI teams continued to refine and enhance our investment advisory services. We always consider our client feedback as well as seeking input from internal stakeholders and assessing our strategy in line with general developments in the market. An increasing focus area for our clients in 2022 was biodiversity and we have worked with pioneering UK institutions to help their investment contribute towards improved natural habitats and other efforts to improve biodiversity.

The investment landscape is constantly evolving, non-more so than in the area of ESG and sustainability investing. As demonstrated, Cambridge Associates has governance and oversight in place to react and adapt our processes to incorporate advancements in ESG and Net-Zero investing which are critical factors in effective stewardship.

APPROVING THE REPORT

The production and responses in this report were overseen by members of the SII Team and Net-Zero Think Tank. In line with our governance oversight of ESG related activities, the Report was presented to the Cambridge Associates Management Group for review, comment and ultimately approval. These layers of approval and review ensure that our reporting is fair, balanced and understandable.