



Responsible Investment Statement

Acadian believes that well governed, sustainable businesses have the potential to make a positive contribution to active returns in our portfolios over time. Our investment approach is highly systematic and uses quantitative models to assess stocks. We continuously look to incorporate Environmental, Social and Governance (ESG) considerations in our investment process either as return seeking or risk mitigating factors.

Acadian became the first quantitative manager to sign the United Nations Principles for Responsible Investment in 2009, demonstrating our recognition of the importance of these issues. We share the philosophy that non-financial considerations may impact investment returns and risk, and we integrate an analysis of such issues in our investment process.

We incorporate responsible investment considerations in a number of ways:

1. INTEGRATION OF ESG

- **Environmental:** We account for environmental considerations in a variety of ways; examples include our carbon tax on high emitting companies and further investment options for risk controls.
- **Social:** Acadian monitors political profiles that have the potential to impact our country exposures in developing countries. We also believe labor practices are a relevant consideration in assessing corporate asset quality.
- **Governance:** We believe that investing in companies with strong governance profiles has the potential to enhance returns. We utilize related factors in our bottom-up framework that includes considerations of board independence, litigation and fraud potential.

At client direction, Acadian can also apply exclusionary screens that address business involvement, sector or region exposure, international norms, or corporate ESG practices.

2. ACTIVE OWNERSHIP

- **Proxy Voting:** We will vote proxies when delegated proxy voting responsibility by our clients. We have adopted the voting policy of an industry-leading proxy provider, who casts votes according to agreed-on principles relating to such issues as board structure, accounting policy, share issuance, and others. We also vote in accordance with client directed voting policies if so directed.
- **Engagement:** Acadian's engagement policy is to prioritize engagements that improve our competencies in portfolio management and active stewardship. We engage via collaborative, Acadian-led, and third-party led dialogues with approximately 200-400 companies annually. We engage where we have significant holdings and believe there is an opportunity to improve corporate behavior on environmental, social, and governance issues. Typical engagements are 80% developed markets-based and 20% emerging markets-based and are distributed across material ESG issues. Success rates vary between 20% and 40%. This process aligns with our commitment to national stewardship codes.

3. GOVERNANCE AND REPORTING

- Acadian's ESG approach is governed by the firm's Responsible Investing Committee, comprised of senior executives and chaired by our appointed Director of Responsible Investing.
- Acadian issues extensive ESG reporting, including proxy voting results (quarterly) and engagement outcomes (annually). In addition, we offer ESG portfolio characteristics reports, in which we assess portfolio-level ESG characteristics compared to their benchmarks. We evaluate the overall ESG rating, individual Environmental, Social and Governance characteristics, as well as stock specific drivers.

Signatory of:

