



Responsible Investing Overview

June 2021

Philosophy

Our research focuses on identifying, testing, and incorporating investment signals into our quantitative return and risk models. We understand that environmental, social, and corporate governance (ESG) considerations can impact businesses' profitability and sustainability of earnings, in addition to the risks associated with their securities. As such, we evaluate and selectively incorporate ESG information into our investment process.

In 2016, we became a signatory to the Principles for Responsible Investment ("PRI") demonstrating our recognition of the importance of these issues.

We have a Responsible Investing Committee, which is comprised of our Chief Investment Officer and senior members of Portfolio Management, Research, Legal, and Client Relationship Management, that meets quarterly to discuss our approach to various ESG-related matters, both in our investment process and in our reporting.

Investment Process

We incorporate what we believe to be the best investment insights into our clients' portfolios with the objective to manage conflicts of interest and deliver sustainable alpha on a risk-controlled basis. Consistent with this objective, all alpha and risk signals, including those associated with ESG information, are evaluated in a systematic and rigorous manner prior to inclusion in our process. We have found that some of our existing expected return signals are correlated with ESG measures. The most conspicuous examples are our quality signals, which tend to be somewhat correlated with the "G" component of ESG. Additionally, we include signals derived from ESG and carbon information in our risk model.

When directed to do so by clients, we can also employ exclusionary screens, group restrictions, continuous penalties, ESG-tilted benchmarks, or a combination of these approaches to accommodate a variety of responsible investment considerations. We believe that we have developed effective tools to allow for the inclusion of these additional considerations with the lowest cost to the other investment considerations, and we manage a number of portfolios that use these approaches to help satisfy clients' ESG-related objectives.

Stewardship

We have retained Institutional Shareholder Services (ISS), a leading proxy service provider, to provide proxy voting services. Standard proxy voting policies (which we subscribe to) take into account certain ESG-related matters. In addition, upon request, we can implement enhanced ESG-specific voting procedures with respect to the securities held in a client's account.

Engagement activities are fully outsourced through Sustainalytics, offering an established, standardized and systematic global engagement program. The engagement framework is incident and compliance based, addressing offenses of international norms and standards involving the following issues: labor, environment, business ethics and human rights.



Reporting

We offer customized reporting on overall portfolio-level ESG scores and carbon exposures. In addition, proxy voting results are made available to all clients as part of our standard reporting package.

Continued Commitment to Research

One of our core beliefs is that active management is an intrinsically dynamic activity, and we continually reinvest in research, including research related to ESG concepts and characteristics. To this end, we recognize that the risks and return potential related to ESG issues change and evolve over time. To identify potential return or risk implications associated with ESG information, we are therefore committed to considering ESG-related signals as well as related third-party academic research.

Important Information and Legal Disclosures

These materials are being provided by Arrowstreet Capital, Limited Partnership (we, us, our, Arrowstreet), or on its behalf by Arrowstreet Capital Europe Limited (Arrowstreet Europe), as a general overview of the firm and its investment advisory services, strategies and capabilities, as applicable. These materials are solely for the benefit of select, qualified institutional investors for educational, informational and discussion purposes only. References to "Arrowstreet" or the "firm" and the other information provided herein (e.g. assets under management, representative clients, investment philosophy) refer to Arrowstreet Capital, Limited Partnership unless otherwise noted.

Arrowstreet is a registered investment adviser with the United States Securities and Exchange Commission (SEC), and as a Commodity Trading Advisor and Commodity Pool Operator with the U.S. Commodity Futures Trading Commission (CFTC) and is a member of the National Futures Association (NFA), an industry self-regulatory organization. Arrowstreet is also registered as a Portfolio Manager and Exempt Market Dealer under with the Ontario Securities Commission and other relevant provincial authorities and is an appointed corporate authorized representative (Number: 001282039) of Evolution Trustees Limited (ACN: 611 839 519, AFSL: 486217), authorized for the purposes of the Corporations Act 2001 (Cth) (Corporations Act) to provide certain financial services to wholesale clients in Australia. Arrowstreet Europe is registered in England, company number 07233286 and is authorized and regulated in the United Kingdom by the Financial Conduct Authority. Registration as an investment adviser under applicable SEC rules and regulations (or registration or licensing with any other regulatory authority) does not imply any level of skill or training. The information included herein has not been approved or verified by the SEC or by any other U.S. or foreign securities authority. Any representation to the contrary is unlawful in the U.S. Arrowstreet's principal office is located at 200 Clarendon Street, 30th Floor, Boston, Massachusetts 02116, United States. Arrowstreet Europe's registered office is 116 Park Street, Park House; London W1K 6AF UK. EEA/UK residents/persons present within the EEA/UK - Please review the Arrowstreet privacy notice, which can be found here: <https://www.arrowstreetcapital.com/sites/default/files/Client%20Notice%20%285.18.2021%29%28Brexite%29.pdf>.

These materials are being provided on a confidential basis and are not intended for public use or distribution. All information contained in these materials is proprietary and confidential. These materials may not be copied, reproduced, republished, posted, transmitted, disclosed, distributed or disseminated, in whole or in part, in any way without our prior written consent or as required by applicable law.

These materials are not intended as an offer or solicitation for the purchase or sale of any security, financial instrument, investment product or service, nor do they constitute investment advice to buy or sell any particular security, financial instrument, investment product or service. Any such offer would only be made pursuant to the relevant offering documents, the terms of which shall govern in all respects.

To the extent these materials constitute a financial promotion, such promotion is directed exclusively at persons who are professional clients or eligible counterparties for the purposes of the FCA Conduct of Business Sourcebook (COBS) and consequently the services or instruments that may be referred to in these materials are only available for use by such persons. No other person should act upon or rely on this communication.

These materials contain general information only, do not contain any personal advice and do not take into account any prospective investor's objectives, financial situation or needs. These materials do not constitute a prospectus, product disclosure statement, or other disclosure document, and will not be lodged with ASIC. Any potential invitation to acquire financial products will be an offer that does not need disclosure under section 708 of the Corporations Act or Part 7.9 of the Corporations Act. These materials are intended to be provided only to sophisticated investors, wholesale clients, and professional investors to whom disclosure is not required to be made under the Corporations Act (Recipients). By retaining these materials, the Recipient represents that the Recipient is a sophisticated investor as referred to in section 708(8)(a) of the Corporations Act, a wholesale client under section 761G of the Corporations Act, and/or a professional investor under section 9 of the Corporations Act. These materials are not to be distributed to, or disclosed to, retail clients.

These materials may include references to specific securities or financial instruments and such references are for illustrative purposes only and are not intended as investment advice or an endorsement of any particular stock, region or sector. We may have already bought or sold, or may in the future buy and sell, such securities or financial instruments on behalf of our clients. Such securities or financial instruments do not represent all of the securities or instruments that we may trade in on behalf of clients. There can be no assurance that an investment in the securities of these issuers or other financial instruments mentioned herein, or in any actual investment recommendation we make, has been or will be profitable.

These materials contain information that have been developed by us and/or obtained from publicly available documents or other sources considered by us to be reliable. We make no representation or warranty, express or implied, as to the information's accuracy or completeness. Links to third-party websites (if any) do not imply any endorsement by the third party of these materials; nor do they imply any endorsement by this firm of the third-party website or of the link. Information contained on third party websites is not reviewed for accuracy and Arrowstreet assumes no liability for the information contained on these websites.

These materials include statements or other information that may constitute "forward-looking statements" for purposes of applicable securities laws. Forward looking statements include, but are not limited to, statements that refer to targets, expectations, projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Such statements are based in part on current market conditions, which will fluctuate and may be superseded by subsequent market events or other factors. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the statements made herein to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors which could cause actual results to differ materially from those anticipated include, but are not limited to: competitive and general business, economic, market and political conditions in the United States and abroad from those expected; changes in the legal, regulatory and legislative environments in the markets in which our firm operates; and the ability of our management team to effectively implement certain strategies. Undue reliance should not be placed on these forward-looking statements. Unless otherwise provided herein, the information presented in these materials reflects our views as of the date this information is being provided to the recipient and not as of any other date. Arrowstreet undertakes no duty to update the information provided herein to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise.

These materials should not be construed as legal, accounting or tax advice, nor is it intended to replace the advice of a qualified attorney, accountant or tax advisor. Wherever the potential for profit exists, there is also the potential for loss. Accordingly, there can be no guarantee that any investment strategy will produce the intended results or achieve its investment objective. Past performance is not necessarily indicative of future results. There can be no assurance that any investment strategy will be able to make investments similar to those made in prior periods. The ultimate returns realized by the application of any investment strategy will depend on numerous factors that are subject to uncertainty. Accordingly, there can be no assurance that any return objectives will actually be realized.

Copyright © 2021 Arrowstreet Capital, Limited Partnership. All rights reserved.