CONNING ASSET MANAGEMENT LIMITED

UK STEWARDSHIP CODE DISCLOSURE

Conning Asset Management Limited ("CAML") believes it complies with the majority of Principles laid down by the Financial Reporting Council in the UK Stewardship Code (the "Code") 'comply or explain' rule, and sets out below the approach taken to the key requirements with explanations of reasons for any divergence from those contained in the Code, as and when relevant. Any questions on this statement or CAML's approach to the UK Stewardship Code should be addressed to Louisa Gjertsen, Compliance Officer at louisa.gjertsen@conning.com.

Purpose and Governance

Principle 1 – Purpose, Strategy and Culture

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

As a fiduciary asset manager, CAML acts at all times in the best interests of clients to protect and enhance the economic value of the investments we manage on their behalf. Good corporate governance within the Conning Group is founded upon sound governance and risk policies which protect and enhance the return to the investor. CAML offers investment management and advisory services to institutional investors and predominantly invests client portfolios in fixed income strategies in accordance with guidelines supplied by its clients.

CAML's investment decisions are based on CAML's own research into investment prospects. Investment research, in the majority of circumstances, is supplemented by meetings with senior management of investment prospects, together with reviewing independent data and reports in order for CAML to determine its own assessment of the investment prospect. This process of analysis focuses on the long term investment decision and is an on-going monitoring process.

CAML is an "Authorised Person" (as defined in Part 4A Section 31 of Financial Services Act 2012) and has been granted Part 4A Permission by the Financial Conduct Authority ("FCA") to undertake a number of Regulated Activities as defined within the Regulated Activities Order 2001 with certain Requirements and Limitations. CAML is categorised as a wholesale investment firm and is required by the FCA to put adequate controls and procedures in place to ensure the orderly management of their business. The rules contained in the FCA Handbook (the "Rules") require the Directors and senior management to take individual and collective responsibility for establishing, organising and controlling all organisational functions.

Principle 2 – The Firm's governance, resources and incentives

CAML's Board and Senior Management has demonstrated effective stewardship by implementing a governance framework and taking personal responsibility for the conduct of the firm as a whole as well as their individual business areas. CAML's Board and Compliance Officer have enabled oversight and accountability by setting out the three lines of defence risk model as far as it works in a small firm environment as some of the roles overlap which has the effect of improving the communication flow between the different areas of the firm. The Governing body is the first line of defence (see the chart below) which defines the culture and behaviours of the firm and includes the Group CEO as Executive Chair, the UK CEO and Chief Investment Officer, the Group CFO, the Senior Portfolio Manager and two Independent Non-executive Directors. The second line of defence is the ongoing review and monitoring by the UK Compliance Officer, who reports into the Board and is supported by the Chief Compliance Officer in the US, the General Counsel and the Chief Risk Officer who both report directly to the Group CEO and includes the annual audit and the SOC1 Controls Report. The third line of defence includes CAML's senior managers who are responsible for the risks in their business areas and include the Senior Portfolio Manager (who is also a Director), The Chief Operations Officer, the Head of Credit Research, and the UK CEO who heads up Sales and Marketing.

First Line of Defence	**CAML Board of Directors**				
Culture of Firm Correct Behaviours	CEO / CIO	Executive Chair	Group CFO	Senior PM	2 Non-Exec Directors
Second Line of Defence	**Compliance**	**Legal**	**Risk**	**Audit**	
Ongoing Review and Monitoring by	Head of UK Compliance US Chief Compliance Officer	General Counsel	Chief Risk Officer Head of Enterprise Risk	PWC Annual Audit SOC1	
Third Line of Defence	**Portfolio Management**	**Business Operations**	**Research**	**Sales & Marketing**	
Responsible for the risks to their business area	Senior Portfolio Manager	COO	Head of Credit Research	CEO	

Principle 3 – The Firm manage Conflicts of Interest to put the best interests of clients and beneficiaries first.

CAML's Compliance Policies and Procedures Manual explains our philosophy and approach on stewardship (including how we monitor and engage with companies), our voting policy, our integrated approach to stewardship matters and how we deal with conflicts of interest.

CAML has a "Conflicts of Interest" Policy in place which is contained within the CAML Compliance Policies and Procedures Manuals. This policy requires CAML to act, at all times, in the best interest of the client. Should a conflict arise, CAML senior management will take appropriate action to ensure client interests are protected, including disclosure of the conflict to the affected client. A copy of CAML's Conflict of Interest Policy is available upon request.

Principle 4 – The Firm identify and respond to market-wide and systemic risks to promote a well functioning system

The nature of CAML's business activities are regarded as straightforward based on the nature of its Assets Under Management. CAML's activities are non-complex and focus on a limited range of services in a small number of jurisdictions. Given the size and type of business that CAML operates it is unlikely to have any effect on market wide risks or contribute to systemic risk.

However, CAML's Risk Appetite Statement aims to identify all major risks associated with the operation of its business, their potential financial and non-financial impact, and the Capital required to maintain sufficient buffers against such adverse economic environments and events.

Risk identification and quantification requires both quantitative and qualitative assessment of the nature and impact of the risks to which CAML is exposed as a function of its asset management business.

The Risk Appetite Statement covers a multitude of risks under the main titles of operational risk, market risk, busines risk, credit risk and climate risk. The quantification, probability and mitigation of each individual risk and its associated impact is assessed in conjunction with the Board of Directors and the Risk Team and the outcomes are detailed in the firm's ICAAP.

Principle 5 – Firm's review their policies, assure their processes and assess the effectiveness of their activities

CAML's stewardship policy is implemented via its Compliance Policies and Procedures Manual. CAML's investment decisions are based on CAML's own research into investment prospects. Investment research, in the majority of circumstances, is supplemented by meetings with senior management of investment prospects, together with reviewing independent data and reports in order for CAML to determine its own assessment of the investment prospect. This process of analysis focuses on the long term investment decision and is an on-going monitoring process.

CAML's Compliance Policies and Procedures Manual explains our philosophy and approach on stewardship (including how we monitor and engage with companies), our voting policy, our integrated approach to stewardship matters and how we deal with conflicts of interest. These principle stewardship elements of CAML's Compliance Policies and Procedures Manual are set out in this statement, including the activities CAML undertakes to comply with the UK Stewardship Principles.

Where CAML believes it is likely to enhance our ability to engage with a company, and is permitted by law and regulation, CAML will work with other investors. CAML may also engage collectively, with other investors, on matters of public interest.

At CAML we consider our primary duty to clients is to act in their best financial interest. As CAML's portfolio managers approach each engaged client individually, there is no prescribed escalation strategy, as suggested by the Code, because such engagement is not seen as normally mechanistic. Further, CAML is unlikely to make public statements about its involvement; call an extraordinary general meeting; or propose shareholder resolutions. CAML's preference is to engage privately in the belief that it better serves the long-term interests of our clients to establish relationships, and a reputation, with companies in ways that enhance rather than hinder constructive dialogues.

Investment Approach

Principle 6 – Client and Beneficiary Needs

The nature of CAML's business activities are regarded as straightforward based on the nature of its Assets Under Management CAML's activities are non-complex and focus on a limited range of services. Its asset base comprises predominantly Investment Grade fixed income mandates with very little exposure to derivatives. Assets outside of this asset base comprise execution only agreements.

Market Share – is relatively small, it has a total of 28 institutional relationships, all of which are categorised as Professional Clients under MiFID.

CAML manages high-grade fixed income portfolios for Insurance Companies, Lloyd's Syndicates, Funds at Lloyd's and associated group companies. Portfolios largely comprise the technical reserves or Corporate Capital for these institutions.

Client portfolios are managed in accordance with Investment Guidelines that form part of an Investment Management Agreement between the client and CAML; the majority of the portfolios are discretionary mandates.

CAML partners with its clients to meet their financial goals and objectives, maintaining a high level of customer service through timely responsiveness, open communication and direct access to accounting resources.

CAML monitors, interpret and communicates changes in the regulatory environment to the clients and provides daily access to investment data and reporting tools (Conning Client Portal) to support financial requests and prepares monthly, quarterly and annual regulatory and management reports.

Principle 7 – Stewardship, Investment and ESG Integration

Conning has adopted a Responsible Investment Policy which can be summarised as follows:

Conning believes that transparency and communication of the economic and non-economic factors driving the performance of the issuers or securities that we invest in, and the portfolios that we construct for our clients, is a core building block of its Responsible Investment framework. Our processes and systems provide the ability to identify, measure, and monitor their exposures to ESG and climate risks and the capability to manage, control and report on these risks.

We aim to collaborate with our clients in having a more robust understanding of the overall risks in their portfolios as well as to assist our clients in achieving their desired sustainability objectives. ESG indicators enhance our view of the fundamental creditworthiness and the relative pricing of investments and are not regarded as an 'additional input'.

Conning uses ESG and climate data from external providers but also assigns its own proprietary ratings which may validate or challenge market opinions when conducting our investment research. We recognise that our fiduciary duty is to achieve each client's investment objectives within the guidelines and constraints they have established.

Principle 8 – Monitoring Managers and Service providers

Conning's Vendor Risk Management Policy provides a detailed process of due diligence and oversight of its service providers (including custodians, brokers and other providers) to assist with fulfilling its responsibilities to clients. Conning's policy is to conduct Initial and ongoing due diligence on all its service providers based on the current risk assessment of each service provider.

Proxy Voting

Conning is responsible for voting proxies as contractually stated in the investment guidelines/agreements with our clients. To adhere to this responsibility, Conning primarily employs an external proxy-voting agent. The third-party proxy voting agent monitors and votes proxies in accordance with guidelines aimed at promoting shareholder value, including good corporate governance practices. Conning's overriding objective is to vote proxies in the best interest of each client. Conning retains final authority and fiduciary responsibility for proxy voting on behalf of its clients.

Engagement

Principle 9 - Engaging with Issuer to Maintain or Enhance the Value of Assets

By engaging with Issuers, we improve our understanding of the issues they face and their approaches to managing them.

Conning engages on issues affecting the long-term sustainability of an Issuer's business wherever possible. Issues may include, but are not limited to, business strategy, economic performance, acquisitions and disposals, operations, internal controls, risk management, sustainability, governance, climate change, environmental and social responsibility.

Direct engagement with Issuers is a core responsibility of investment analysts and forms a key part of their credit analysis.

The scope of analyst engagement varies but typically involves one or more of the following:

- Direct meetings with Issuer representatives, advisers, and stakeholders.
- Written, telephonic and video communication with Issuer representatives, advisers, and stakeholders.
- Collaborative engagement with other members of the investment community.

Engagement activities are prioritized based on the materiality of the issue, and the size of our exposure to the individual Issuer.

Prioritisation of ESG factors depends on the type of Issuer. For example, environmental factors would be a primary focus for manufacturing industries with high historical levels of emissions, either through production or end use of products, while governance is a greater focus for financial services companies.

As primarily a fixed-income investment manager, Conning believes that direct engagement with Issuers provides the best opportunity to achieve the maximum impact.

Principles 10 & 11 – Where necessary Participate in Collaborative Engagement to Influence Issuers and where necessary, Escalate Stewardship Activities to Influence Issuers

Direct engagement activity with Issuers is the primary tool utilised by Conning to achieve its stewardship objectives. Engagement with Issuers is a core and ongoing responsibility of investment analysts within Conning. Analysts inform portfolio managers on the results of engagement with Issuers, and portfolio managers communicate with our clients regarding risk assessment resulting from the engagement activities.

The scope of analyst engagement varies but typically involves one of more of the following:

- Direct meetings with Issuer representatives, advisers, and stakeholders.
- Written, telephonic and video communication with Issuer representatives, advisers, and stakeholders.
- Where permitted by law, regulation, and client guidelines, collaborative engagements launched by the investment community where Conning is confident about the materiality of the concerns and comfortable with the methods of engagement.

Conning prioritises its engagement activities based on the materiality of the issue, and the size of its exposure to the individual Issuer, either by the total amount of assets invested on behalf of clients or by the percentage of a security held. Prioritisation of ESG factors depends on the type of Issuer Conning is engaging with, in order to maximize the impact of stewardship engagement. For example, within companies, environmental factors would be a primary focus for manufacturing industries with high historical level of emissions either through production or end use of products, while governance is a greater focus for financial services companies. As a manager of primarily fixed income securities, Conning believes our impact will be stronger with the companies that we invest in rather than government entities.

Principle 12 – Actively Exercising Rights and Responsibilities

Conning is committed to the Principles for Responsible Investment framework of annual reporting and review. We view this as a key mechanism for both internal and public examination and communication. We target strong ratings across all relevant areas and continue to use this as a mechanism to both measure our progress across relevant areas and communicate it with our clients and industry peers.