

Responsible Investment Policy

This Responsible Investment (RI) Policy for Conning¹ broadly encompasses the core assets managed on behalf of institutional clients in North America, Europe and Bermuda. These assets comprise the majority of assets managed by Conning in North America and Europe. The Policy defines those areas where we actively incorporate processes and procedures designed to improve both economic and non-economic outcomes for our clients while meeting our fiduciary responsibilities to achieve each client's investment objectives within established guidelines and constraints.

This Policy also outlines our philosophy of a collaborative approach to achieving these objectives in partnership with our clients, how we engage with the investment community and the issuers of securities managed on behalf of our clients, the governance practice and structure designed to provide oversight and review, and how we communicate these efforts to the investment community and our clients.

The RI Policy is reviewed annually by senior management and the Operating Committee of Conning Holdings Limited (CHL) and approved by the CEO of CHL.

Philosophy and Process

- Transparency and the communication of the financial and ESG factors driving the expected performance of the issuers or securities that we manage, and the portfolios that we construct for our clients, are core building blocks of our RI framework.
- **ESG indicators**² enhance our view of the fundamental creditworthiness and the relative pricing of investments. We have specific asset-class guidelines on how ESG is implemented and these are an integral factor in the assessment of the long-term viability and/or valuation of an issuer or security.
- Conning has implemented portfolio reporting systems and data sets to manage portfolios under our stewardship in line with the industry or issuer exclusions established by our clients and/or their regulators.
- Our processes and systems provide both Conning and our clients 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.
- By taking the initiative in providing this capability, 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 and climate data from external providers is used across our investment process, but we also assign our own proprietary ratings which may validate or challenge market opinions when conducting our investment research.

Engagement

- As a signatory to the Principles for Responsible Investment (PRI), Conning is committed to upholding the six [principles](#)³ that govern responsible investment. In addition to reporting our annual progress to PRI, we believe that increasing our engagement with the PRI expands our communications with the broader investment community. In addition, the reporting framework reinforces Conning's internal oversight and governance.
- Conning strives to contribute to the broader improvement of responsible investment practices by working with clients to achieve sustainable economic outcomes and increase the understanding and identification of threats and opportunities presented by the issuers of the securities that we manage.
- At Conning we engage, to the extent possible, with the issuers of the securities that we manage to establish official direction and philosophy on ESG factors which we believe have a direct impact on the sustainability of an issuer's financial performance. ESG indicators enhance our view of the fundamental creditworthiness or the pricing of investments, and they are an integral factor in the long-term financial stability of an issuer.

Governance

- Oversight and Governance of Conning's RI Policy, as well as its implementation, are the responsibility of senior management, including members of the Operating Committee which is ultimately accountable to the CHL Board of Directors.
- Regional business heads and the Chair of Conning's Investment Policy Committee are responsible for implementation of the RI Policy.
- An ESG Steering Committee, chaired by Conning's Chief Risk Officer (CRO), provides guidance on, and monitors implementation of, Conning's RI and ESG initiatives and acts as a central resource for CHL group entities to share thoughts and ideas from across Conning. We believe that the continued development of our capabilities and direction in this area require both sponsorship of senior management and open feedback mechanisms including investment teams, clients, compliance/regulatory and peer/market input.
- Conning's CRO and ESG Governance Team are responsible for oversight of, and compliance with, client guidelines related to RI and ESG issues. The CRO reports to the Risk Committee of the CHL Board of Directors and senior management as appropriate.
- Where conflicts arise between this RI Policy and a client's stated investment policy or objectives, we engage with the client to reconcile those conflicts within the regulatory and business framework while fulfilling our fiduciary responsibilities to our clients.

External Communication

- Conning is committed to the PRI 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 peers.

ABOUT CONNING

Conning (www.conning.com) is a leading investment management firm with a long history of serving the insurance industry. Conning supports institutional investors, including insurers and pension plans, with investment solutions, risk modeling software, and industry research. Founded in 1912, Conning has investment centers in Asia, Europe and North America.

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FOOTNOTES

1. Conning Inc., Goodwin Capital Advisers Inc. and Conning Asset Management Limited – collectively "Conning".
2. "The Role of ESG in the Investment Research Process" Conning (January 2020) <https://www.conning.com/-/media/marketing/site/documents/connings-esg-process.pdf>
3. <https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment> (retrieved 22 February 2021)