



# Textronix UK Pension Plan

31 May 2023

# Background and Implementation Statement

## Background

The regulatory landscape continues to evolve as ESG becomes increasingly important to regulators and society. The Department for Work and Pensions (“DWP”) has increased the focus around environmental, social and governance (“ESG”) policies and stewardship activities by issuing further regulatory guidance relating to voting and engagement policies and activities. These regulatory changes recognise the importance of managing ESG factors as part of a trustee’s fiduciary duty.

## Implementation Statement

This Implementation Statement is to provide evidence that Tektronix UK Pension Plan (the “Plan”) continues to follow and act on the principles outlined in the Statement of Investment Principles (the “SIP”). The Plan’s SIP in place throughout most of the year was dated September 2020 and the current SIP is dated May 2023.

The Implementation Statement details:

- actions the Plan has taken to manage financially material risks and implement the key policies in its SIP;
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks;
- the extent to which the Plan has followed policies on engagement covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate; and
- voting behaviour covering the reporting year up to 31 May 2023 for and on behalf of the Plan including the most significant votes cast by the Plan or on its behalf.

## Summary of key actions undertaken over the Plan reporting year

In May 2023 a new investment strategy for the Plan was agreed. This new strategy targets a return of 1.5% per annum above the return on UK Government bonds, down from a margin of 2.3%. The new strategy increased the Plan’s target hedge ratio on interest rates and inflation to 100%.

The new strategy increased the allocation to LDI and Corporate Bonds, reduced the allocation to Diversified Growth Funds and removed the Equities allocation. Two new asset classes were added to the Plan’s strategy: Asset-Backed Securities and Multi-Asset Credit, which resulted in diversification benefits for the Plan. The Plan also switched the investment manager of its LDI portfolio from Columbia Threadneedle to Insight Investment.

Please note that the Plan successfully finished the transition to the new investment strategy after year end in July 2023 and therefore the year-end allocation can be expected to differ from the newly agreed strategic allocation.

## Implementation Statement

This report demonstrates that the Plan has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

# Managing risks and policy actions

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Investment	The risk that the Plan's position deteriorates due to the assets underperforming.	To select an achievable investment objective and investing in a diversified portfolio of assets.	The Plan has an achievable expected return and aims to achieve this by investing across a range of asset classes.
Funding	The extent to which there are insufficient Plan assets available to cover ongoing and future liability cashflows.	The Trustee will agree an appropriate basis in conjunction with the investment strategy to ensure an appropriate journey plan is agreed to manage funding risk over time.	The long-term objective and journey plan is discussed when reviewing and refreshing the Plan's investment strategy.
Covenant	The risk that the sponsoring company becomes unable to continue providing the required financial support to the Plan.	The Trustee to consider the covenant strength ensuring the Plan is exposed to an appropriate level of risk for the covenant to support.	The covenant strength is discussed when reviewing and refreshing the Plan's investment strategy.
Interest rates and inflation	The risk of mismatch between the value of the Plan's assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge 100% of these risks.	Over the reporting period, the Plan had allocations to LDI funds, which aim to hedge the Plan's inflation and interest rate risk.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members' benefits as they fall due (including transfer values) and to provide collateral to the LDI manager.	The Plan's assets are held on the Mobius Life investment platform. Plan assets are daily traded, and so liquidity risk is minimised.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	The Plan is invested in various funds across asset classes, therefore diversifying this risk.

Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors where possible.	The Plan invests in pooled credit funds which invest across a variety of geographies and sectors, diversifying the underlying credit risk.
Environmental, Social and Governance	Exposure to ESG factors, including but not limited to climate change, which can impact the performance of the Plan's investments.	To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria:  1. Has a Responsible Investment ('RI') Policy / Framework;  2. Implemented via the Investment Process;  3. A track record of using engagement and any voting rights to manage ESG factors;  4. ESG Specific reporting;  5. UN PRI Signatory.	As part of the investment management of the Plan's assets, the Trustee expects the investment managers to make decisions on: <ul style="list-style-type: none"> <li>• The selection, retention and realisation of investments taking into account all financially material considerations.</li> <li>• The exercise of rights (including voting rights) attached to these investments.</li> <li>• Undertaking engagement activities with investee companies and other stakeholders where appropriate.</li> </ul>
Currency	The potential for adverse currency movements to have an impact on the Plan's investments.	To invest in GBP denominated share classes where possible.	All the Plan's investments are in GBP denominated share classes.
Non-financial	Any factor, save for the above, that is not expected to have a financial impact on the Plan's investments.	Such matters are not taken into account in the selection, retention or realisation of investments.	

# Changes to the SIP

A new SIP was signed in May 2023 to reflect the strategy changes and to account for new DWP regulations.

## Policies added to the SIP

Date updated:  
11 May 2023

**Voting Policy - How the Trustee expects investment managers to vote on their behalf.**

- The Trustee has acknowledged responsibility for the voting policies that are implemented by the Plan's investment managers on its behalf.

**Engagement Policy - How the Trustee will engage with investment managers, direct assets and others about 'relevant matters'.**

- The Trustee has acknowledged responsibility for the engagement policies that are implemented by the Plan's investment managers on its behalf.
- The Trustee, via its investment advisers, will engage with managers about 'relevant matters' at least annually.

# Implementing the current ESG policy and approach

## ESG as a financially material risk

The SIP describes the Plan's policy with regards to ESG as a risk as it potentially could have a material impact on investment risk and return outcomes. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration. This section details how the Plan's ESG policy is implemented.

The assets of the Plan are invested in pooled vehicles and the Trustee accepts that pooled investments will be governed by the individual policies of the investment manager. These policies are reviewed as part of the consideration of pooled investments. As such, the Trustee has given its investment managers full discretion in evaluating ESG factors, including climate change considerations, exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

The Trustee is increasingly considering how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring the existing investment managers. The Trustee will consider the ESG ratings provided by their Investment Advisor and/or platform provider on how the investment manager embeds ESG factors into its investment process. A change in ESG rating (or lack of ESG rating) does not mean that the fund will be removed or replaced automatically.

## Implementing the current ESG policy

The following table outlines the areas which the Plan's investment managers are assessed on when evaluating their ESG policies. The Trustee will review the Plan's ESG policies and engagements periodically to ensure they remain fit for purpose.

Areas for monitoring and engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social, Corporate Governance factors and the exercising of rights.	The Trustee receives information from its investment advisor/platform provider on the investment managers' approaches to engagement.	<p>The manager has not acted in accordance with their policies and frameworks.</p> <p>The manager's policies are not in line with the Trustee's policies in this area.</p>

Through the engagement described above, the Trustee will work with its investment advisor and/or managers to improve its alignment with the above policies. Where sufficient improvement is not observed, the Trustee will review the relevant investment manager's appointment and will consider terminating the arrangement

# Engagement and Voting

The Trustee has appointed Mobius Life as the platform provider which implements policies on its behalf. Mobius Life has adopted the managers' definitions of significant votes and has not set stewardship priorities. The managers have provided examples of votes they deem to be significant, and Mobius Life has shown the votes relating to the greatest exposure within the Plan's investments. When requesting data annually, Mobius Life informs the managers what they deem most significant.

Please see attached document from Mobius Life for details on engagement and voting actions including a summary of the activity, covering the 12-month period ending 31 May 2023. The platform provider also provides examples of any significant votes where possible.

**Tektronix UK Pension Plan - IS0009225**

**ESG REPORT – 31-May-2023**





# Summary

**Scheme: Tektronix UK Pension Plan - IS0009225**

**Statement Date: 31-May-2023**

Fund	Value (£)	% Holding
MFS Global Equity Fund.	12,581,273.09	29.25%
CT Sterling Liquidity Fund	7,071,214.62	16.44%
BLK AQL Corporate Bond Index Fund All Stocks	8,615,305.34	20.03%
Schroder Life Intermediated Diversified Growth Fund	10,022,592.11	23.30%
CT LDI Real Dynamic LDI Fund	1,965,764.48	4.57%
CT LDI Nominal Dynamic LDI Fund	2,326,573.89	5.41%
CT LDI Short Profile Real Dynamic LDI Fund	428,139.58	1.00%

Fund	Fund Manager ESG Credentials	Fund ESG Credentials	
	Data Provided by FM as at	% Qs answered	Data Provided by FM as at
BLK AQL Corporate Bond Index Fund All Stocks	31/03/2023	98	31/03/2023
MFS Global Equity Fund.	31/03/2023	96	31/03/2023
CT LDI Nominal Dynamic LDI Fund	31/03/2023	88	31/03/2023
Schroder Life Intermediated Diversified Growth Fund	31/03/2023	97	31/03/2023
CT LDI Short Profile Real Dynamic LDI Fund	31/03/2023	88	31/03/2023
CT LDI Real Dynamic LDI Fund	31/03/2023	88	31/03/2023
CT Sterling Liquidity Fund	31/03/2023	88	31/03/2023

**Disclaimer:**

This report has been designed by Mobius Life to support Pension Schemes. Mobius Life understand the information produced in this report may be used as an input for an implementation statement but is not responsible for producing the implementation statement. When compiling this report, Mobius Life has shared all the information provided by the external fund manager. Where a response field is blank this means the question is not applicable or a response was not provided by the fund manager.

Mobius Life accepts no responsibility or liability for the accuracy or content of the data provided by the external fund managers.

Questions	BlackRock		
<p>Do you have an ESG policy that is integrated into the investment process?</p>	<p>Yes</p> <p>At BlackRock, we have always focused on helping our clients try to reach their long-term investment goals through resilient and well-constructed portfolios. Our investment conviction is that ESG-integrated portfolios can provide better risk-adjusted returns to investors over the long-term, and that ESG-related data provides an increasingly important set of tools to identify unpriced risks and opportunities within portfolios. BlackRock has a framework for ESG integration that permits a diversity of approaches across different investment teams and strategies and is part of both our active investment process and index investment processes. As the materiality of ESG considerations varies by client objectives, investment style, sector, and macro considerations, our ESG integration framework needs to allow for flexibility across investment teams. BlackRock's active investors are responsible for integrating material ESG-related insights, consistent with their existing investment process, with the objective of improving long-term risk-adjusted returns. Depending on the investment approach, ESG measures may help inform the due diligence, portfolio construction, and/or monitoring processes of our active and alternatives platforms, as well as our approach to risk management. Our ESG integration framework is built upon our history as a firm founded on the principle of thorough and thoughtful risk management. Aladdin™, our core risk management and investment technology platform, allows investors to leverage material ESG data as well as the combined experience of our investment teams to effectively identify investment opportunities and investment risks. Our heritage in risk management combined with the strength of the Aladdin platform enables BlackRock's approach to ESG integration. BlackRock's ESG Integration Statement is available at: <a href="https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf">https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf</a></p>	<p>Are Senior Management accountable for ESG or Climate Change risks?</p>	<p>Yes</p> <p>Yes, BlackRock has a dedicated Sustainable Investing team which oversees the firm's global efforts on sustainable investing. The BlackRock Sustainable Investing team partners with investment professionals to deliver innovative products and solutions, integrate sustainability considerations across investment processes, and drive sustainable investing research efforts. The BlackRock Sustainable Investing team works closely with the BlackRock Risk and Quantitative Analysis Group to ensure high-quality ESG integration across investment teams as well as with the BlackRock Investment Stewardship team and the Corporate Sustainability team to ensure a holistic approach to sustainability at BlackRock. All investment professionals are responsible for ensuring that ESG considerations are considered within BlackRock's investment practices. Senior representatives from each investment team across the firm lead in this effort, with support given by one or more representatives from investment groups across the firm, who work together to advance ESG research and integration, support active ownership, and develop sustainable investment strategies and solutions. The Risk and Quantitative Analysis Group, which is responsible for evaluating all investment, counterparty, and operational risk at the firm, evaluates ESG risk during its regular reviews with portfolio managers to ensure that investment teams have sufficiently considered ESG risk in their investment decisions, and that investments in highest ESG risk categories are deliberate, diversified and scaled.</p>
<p>Do you have a firm ESG rating?</p>	<p>Yes</p> <p>BlackRock has been a signatory to the United Nations supported Principles for Responsible Investment (PRI) since 2008. The PRI is an independent nonprofit that encourages investors to use responsible investment to enhance returns and better manage risks. 2021 Assessment Report Results BlackRock's 2021 Assessment Report reflects the 2020 reporting period. Across almost all modules, BlackRock scored either 5 or 4 stars. Although the firm performed the least well across Hedge Funds modules (2-4 stars), which are notably the newest modules within the Pilot Reporting Framework, the achieved scores were well above the median. BlackRock received 4 stars with a score of 88% in the Investment and Stewardship Policy module with 22 out of 30 sub-indicators in this module receiving a top score. The firm scored very well (5 stars) across the Active Equity modules (Active Quantitative, Active Fundamental) and the Private Markets modules (Private Debt, Private Equity, Real Estate, Infrastructure) with a notable 100% score on Infrastructure. The firm also performed well across the fixed</p>	<p>Do you have a dedicated team that considers ESG and Climate Change related factors?</p>	<p>Yes</p> <p>BlackRock's dedicated Sustainable and Transition Solutions ('STS') team consists of over 31 professionals (as at 31 October 2022) across 12 offices who lead BlackRock's sustainability and transition strategy, drive cross-functional change, support client and external engagement, power product ideation, and embed expertise across the firm. STS works in close partnership with the BII Sustainable Investment Research &amp; Analytics Team, which leads the firm's research on investment risks and opportunities of sustainability and the transition.</p>

# Fund Manager Business Response

Questions	BlackRock		
	income modules (4 stars).		
Please provide your UNPRI survey scores	<p>2021 scores: Investment &amp; Stewardship Policy - 4 stars (88/100) Direct - Listed equity - Active Quantitative - incorporation - 5 stars (96/100) Direct - Listed equity - Active Fundamental - incorporation - 5 stars (96/100) Direct - Listed equity - Investment Trusts - incorporation - 5 stars (96/100) Direct - Listed equity - Other - incorporation - N/A Direct - Listed equity - Passive - incorporation - 4 stars (67/100) Direct - Listed equity - Active Quantitative - voting - 4 stars (83/100) Direct - Listed equity - Active Fundamental - voting - 4 stars (83/100) Direct - Listed equity - Investment Trust - voting - 4 stars (83/100) Direct - Listed equity - Other - voting - 4 stars (83/100) Direct - Listed equity - Passive - voting - 4 stars (83/100) Direct - Fixed Income - SSA - 4 stars (79/100) Direct - Fixed Income - Corporate - 4 stars (88/100) Direct - Fixed Income - Securitised - 4 stars (76/100) Direct - Fixed Income - Private debt - 5 stars (96/100) Direct - Private debt - 5 stars (93/100) Direct - Real estate - 5 stars (98/100) Direct - Infrastructure - 5 stars (100/100) Direct - Hedge funds - Multi-strategy -N/A Direct - Hedge funds - Long/short equity - incorporation - 4 stars (66/100) Direct - Hedge funds - Long/short equity - voting - 4 stars (77/100) Direct - Hedge funds - Long/short credit - 3 stars (59/100) Direct - Hedge funds - Distress, special situations, and event-driven fundamental - 3 stars (59/100) Direct - Hedge funds - Structured credit - N/A Direct - Hedge funds - Global macro - N/A Direct - Hedge funds - Commodity trading advisor - N/A Direct - Hedge funds - Other - 2 stars (35/100) Indirect - Listed equity - Passive - 4 stars (69/100) Indirect - Listed Equity Active - 4 stars (84/100) Indirect - Fixed Income - Passive - 4 stars (69/100) Indirect - Fixed Income - Active - 4 stars (84/100) Indirect - Private equity - 5 stars (91/100) Indirect - Real Estate - 4 stars (89/100) Indirect - Infrastructure - 5 stars (91/100) Indirect - Hedge funds - 4 stars (89/100)</p>	Do you rely on any third parties to provide ESG and Climate Change related analysis/research?	<p>Yes</p> <p>Currently, BlackRock leverages third-party ESG data in addition to in-house research in order to gather company-level information on key ESG indicators. BlackRock has sourced ESG data from third-party providers since 2012. Our third-party sources include MSCI, ISS-Ethix, RepRisk, Sustainalytics, Refinitiv, Bloomberg, and others listed below. We routinely engage with investment research providers about our views on emerging issues and the type of research we would find useful. Provider* - Type MSCI - ESG Ratings, Research Sustainalytics - ESG Ratings Refinitiv - ESG Ratings, Research Bloomberg - ESG Ratings RepRisk - ESG Ratings Verisk Maplecroft - Climate Data ISS-Ethix - ESG Research SASB - Sustainability Accounting Framework CDP - Climate Data Rhodium - Climate Data Clarity AI - ESG Ratings, Research Baringa - Climate Data Climate Central - Climate Data Entis - ESG Research Field Gibson Media (Environmental Finance) - ESG Research Vivid Economics - ESG Research S&amp;P Global - ESG Ratings, Research * While BlackRock leverages the above third-party sources to conduct ESG research, not all data sources are currently available within Aladdin tools.</p>
Do you have a Climate Change policy that is integrated into the investment process?	<p>Yes</p> <p>Our sustainability strategy is focused on long-term value creation. As a fiduciary asset manager, we believe that our clients should consider how climate change, policy and economic shifts will affect returns in their portfolios. We believe that climate risk is investment risk: the net zero transition will reshape the real economy and financial portfolios, presenting risks and opportunities for investors. BlackRock's sustainability strategy focuses on two structural themes driving this change. • Climate Transition: Commitments to achieve net zero by governments, investors, and companies will fundamentally reshape the global economy and create a historic investment opportunity. We are committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner. • Stakeholder Capitalism: It is clear that being connected to stakeholders enables a company to understand and respond to the changes happening in the world. In 2020, we saw how purposeful companies with better Environmental, Social, and</p>	Do you create your own ESG or Climate Change related scores	<p>Yes</p> <p>Yes-The complex risks and opportunities associated with sustainability macro trends are materializing and will continue to accelerate in the medium term. We believe that there are resulting winners and losers, and with that in mind, we have developed a proprietary ESG scoring framework to capture companies' likelihood of mitigating risks and capturing opportunities associated with sustainability factors. Investors can now sift through hundreds, sometimes thousands of ESG-related datapoints on a given company, many of which were not available a few years ago. Crucially, only a fraction of these materially affect financial performance. We view disparities among measurement methodologies as market inefficiencies that enhance the opportunity to capture outperformance. BlackPEARL is a framework for measuring the sustainable attributes of companies with an investment materiality lens. BlackPEARL is a research-driven framework that combines quantitative and qualitative research using a systematic data driven approach to deliver unique ESG investment insights. It leverages multiple sources of data, including proprietary BlackRock information, and takes over 250 individual KPIs that capture the sustainable characteristics of companies across environmental, social and governance themes. The materiality matrix of</p>

Questions	BlackRock		
	<p>Governance (ESG) profiles outperformed their peers during a global crisis. We create solutions to help clients towards their financial objectives and other goals by relating ESG characteristics to financial returns.</p>		<p>BlackPEARL was built through a combination of insights. The starting point is the SASB framework which defines a list of material ESG indicators across 77 industries. We then overlay our own insights around issues that we fundamentally believe will have a higher impact on companies' financial performance going forward.</p>
<p>Does your company have a policy on equality and diversity in the workplace?</p>	<p>Yes</p> <p>As part of its long-term commitment, BlackRock has instituted a multi-year DEI strategy that we believe is actionable, measurable, and designed to be relevant and applicable in different parts of the world. We review our DEI strategy at least annually, along with the corporate policies and programs that support it, so that the strategy remains aligned with the firm's business priorities and long-term objectives. BlackRock's DEI strategy centers on three key pillars: 1. BlackRock's Talent and Culture across the Globe – by attracting, hiring, developing and retaining a diverse talent pipeline, cultivating an inclusive, equitable work environment in which employees feel connected to the culture and supported in pursuit of their goals, and fostering a connected culture among the firm's approximately 17,000 employees 2. BlackRock's Role as a Fiduciary on Behalf of Clients – leveraging ESG focused financial products as competitive differentiators and strengthening client relationships by engaging them on DEI 3. Policy and Social Impact in Underserved Communities – continuing to increase transparency on diversity disclosures and contributing to and investing in the long-term success and sustainability of underserved communities BlackRock embraces the responsibility it has to its employees and to the communities in which it operates, but also recognizes the scale and depth of realizing success and the sustained focus and efforts required to advance DEI at BlackRock and beyond.</p>	<p>Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?</p>	<p>Yes</p> <p>BlackRock continually seeks to increase the flexibility and scope of our reporting capabilities to meet the demands of our clients and the evolving nature of the ESG data landscape. In 2022 this includes establishing an internal metric approval and usage process for client reporting whilst also enhancing our ability to produce variations of reports for varied client segments. This reporting template development is overseen by a governance process to aid consistency and appropriacy of metrics across our varied investment teams.</p>
<p>Do ESG related factors get considered with respect to performance management of investment companies and funds?</p>	<p>Yes</p> <p>At BlackRock, we have always focused on helping our clients try to reach their long-term investment goals through resilient and well-constructed portfolios. Our investment conviction is that ESG-integrated portfolios can provide better risk-adjusted returns to investors over the long-term, and that ESG-related data provides an increasingly important set of tools to identify unpriced risks and opportunities within portfolios. BlackRock has a framework for ESG integration that permits a diversity of approaches across different investment teams and strategies and is part of both our active investment process and index investment processes. As the materiality of ESG considerations varies by client objectives, investment style, sector, and macro considerations, our ESG integration framework needs to allow for flexibility across investment teams. BlackRock's active investors are responsible for integrating material ESG-related insights, consistent with their existing investment process, with the objective of improving long-term risk-adjusted returns. Depending on the investment approach, ESG measures may help inform the due diligence, portfolio construction, and/or monitoring processes of our active and alternatives platforms, as well as our approach to risk management. Our ESG integration framework is built upon our history as a firm founded on the principle of thorough and thoughtful risk</p>	<p>Are you signatories of the FRC UK Stewardship Code or equivalent?</p>	<p>Yes</p> <p>BlackRock is a Tier 1 signatory to the UK Stewardship Code and has been a signatory since April 2010. We are aware of the expectations inherent in the 2020 revision of the Code and have submitted our 2020 required reporting in line with those expectations to the FRC's ahead of the 31 March 2021 deadline. We are awaiting response now from the FRC. As a fiduciary investor, BlackRock undertakes all investment stewardship engagements and proxy voting to understand and hold company leadership accountable for their actions that impact the value of our clients' assets. Our program applies to companies in all sectors and geographies, and irrespective of whether a holding is index only or index and active. BlackRock's stewardship activities are carried out by BlackRock Investment Stewardship, which is positioned as an investment function.</p>

# Fund Manager Business Response

Questions	BlackRock		
	<p>management. Aladdin™, our core risk management and investment technology platform, allows investors to leverage material ESG data as well as the combined experience of our investment teams to effectively identify investment opportunities and investment risks. Our heritage in risk management combined with the strength of the Aladdin platform enables BlackRock's approach to ESG integration.</p>		

Questions	MFS Investment Management		
<p>Do you have an ESG policy that is integrated into the investment process?</p>	<p>Yes</p> <p>We established the MFS Investment Management Policy on Responsible Investing and Engagement in 2009.</p> <p>The MFS Policy on Responsible Investing and Engagement broadly describes how MFS incorporates material environmental, social and corporate governance considerations into our investment process for all portfolios managed by MFS. The policy also covers the incorporation of ESG issues into ownership practices, ESG-related engagement activities, conflicts of interest, adherence to external ESG-related codes and guidelines, collaborative opportunities and reporting. The policy is reviewed at least annually by the Investment Sustainability Committee and updated as needed.</p>	<p>Are Senior Management accountable for ESG or Climate Change risks?</p>	<p>Yes</p> <p>In recent years, there have been a multitude of strategic initiatives that have been of focus for us, including climate change, biodiversity and natural capital, human rights issues, and others. For example, with regard to climate change, we have published our TCFD Climate Action Plan and joined NZAM, which is described in detail in other questions.</p> <p>Importantly, our strategic priorities flow through the highest levels of management at MFS. The MFS Sustainability Executive Group (SEG) provides strategic leadership concerning the firm's sustainability strategy. It includes our chair and CEO, president, CIO, CSO, CTO, general counsel and other senior leaders responsible for the integration of sustainability across the firm. The SEG meets at least monthly to</p> <ul style="list-style-type: none"> <li>· develop long-term sustainability strategy, including climate change-related issues</li> <li>· advise on and coordinate the implementation of that strategy</li> <li>· resolve any issues of prioritization and resource allocation for sustainability-related projects</li> </ul> <p>We also have individuals who are entirely assessed and rewarded based on their contribution towards the implementation of the sustainability-related initiatives at the firm, such as our Director of ESG Integration, Director of Stewardship, Global Head of Sustainability Strategy and the members of our Legal and Technology teams who are dedicated to sustainability. We have also created two new C-suite positions – our Chief Sustainability Officer and our Chief Diversity, Equity and Inclusion Officer – in seeking to further align our strategic priorities in these areas with the highest levels of management at our firm.</p> <p>A core responsibilities of these individuals and teams is to deliver on the strategic priorities of the business over the long-term, so performance and compensation in</p>

Questions	MFS Investment Management		
			these areas is inherently built into their roles.
Do you have a firm ESG rating?	Please refer to our PRI scores in question 1.5 below.	Do you have a dedicated team that considers ESG and Climate Change related factors?	<p>Yes</p> <p>At MFS, it is our firm belief that a successful approach to sustainability requires the participation of our entire firm. Sustainability is integrated into our fundamental investment process; it is not a separate discipline with different inputs or outcomes. As such, our process requires that all of our investment professionals are actively engaged in, and responsible for, its success.</p> <p>The groups described below provide strategic leadership and support the effective integration of sustainability across the firm, but they do not conduct all of our research on ESG topics. The responsibility for ESG research falls on our entire team of investment professionals around the globe, who are experts in the issuers they cover. It is impossible to overstate the importance of this fact: ESG integration must be handled by the same people who are making buy and pass decisions all day long, not a separate set of ESG-focused individuals.</p> <p><b>Investments</b></p> <p>Barnaby Wiener, one of our most seasoned portfolio managers, serves as chief sustainability officer. A leader and culture carrier who has long been a champion of sustainability, Barnaby works closely with our ESG-dedicated research analysts to engage with the rest of the investment team to ensure that all of our investors have ownership of sustainability in their research and portfolio management duties. He also plays a strategic role with regard to issuer engagement on sustainability topics.</p> <p>Our investment team includes our director of global ESG integration, one equity and one fixed income research analyst, as well as one fixed income research associate who are dedicated solely to ESG research and who have done much to advance our investment team's thinking on ESG topics. These individuals fulfill a critical role in facilitating our sustainability efforts. Their role is to support and enhance the ongoing research into ESG topics performed by our portfolio managers and analysts.</p> <p><b>Stewardship</b></p> <p>The stewardship team's position within the investment team improves the collaboration between our stewardship professionals and our investment professionals with the goal of more efficient and impactful engagements across our holdings. We currently have five individuals on this team responsible for carrying out our stewardship efforts, including individual and collective engagements, as well as exercising our proxy voting rights. We will continue to place a high priority</p>

Questions	MFS Investment Management		
			<p>on investing in our stewardship resources going forward.</p> <p>Client Sustainability Strategy</p> <p>We have seven people dedicated to engaging with our clients and the investment industry on ESG issues as well as developing thought leadership around sustainability topics. This team plays an important role because industry participants want to understand how asset managers such as MFS approach sustainability.</p> <p>Legal and Compliance</p> <p>We have two attorneys and one paralegal in our Legal Department who are dedicated to assessing and monitoring, and appropriately addressing, ESG and stewardship-related issues to ensure MFS is aware of all relevant regulatory and legal requirements in jurisdictions where we do business. Additionally, we have an ESG-dedicated compliance officer situated in our Compliance Department.</p> <p>IT</p> <p>We have implemented an agile ESG team within our IT department. As we continue to enhance our data and reporting capabilities, this team is strategically placed to help facilitate these efforts. These individuals will contribute to the development and enhancement of numerous ESG-related systems, as we continue to work to meet evolving regulatory requirements and client reporting demands.</p>
<p>Please provide your UNPRI survey scores</p>	<p>As a PRI signatory, MFS annually participates in the PRI reporting process. In 2021, the PRI piloted the launch of a new reporting system and updated the structure and content of their survey. Because of these updates, the scoring of the 2021 assessment is numerical, and does not align to the 2020 letter grade outcomes. On the 2021 assessment, MFS scored above the median in all categories relative to our peers and received 4 or 5/5 stars in PRI star rankings, indicating a positive outcome of the survey when compared to other managers.</p>	<p>Do you rely on any third parties to provide ESG and Climate Change related analysis/research?</p>	<p>No</p> <p>Most of our ESG-related insights originate from our own original research into company and borrower financials, management teams and industry trends. This research is enriched by numerous sources of information including multiple third-party ESG data providers such as MSCI ESG Research, S&amp;P/Trucost, RepRisk, ISS, Refinitiv, Bloomberg, Clarity AI and a diverse group of nongovernmental and other organizations like Transparency International, Ranking Digital Rights, FAIRR and WRI Aqueduct. These organizations provide ESG-related data, company and issuer analysis and ratings, and sector and country analysis. MFS also receives research support from a large and growing number of sell-side ESG investment analysts.</p> <p>MSCI provides ESG data along with ratings and continues to be our primary ESG data vendor, with coverage of many public companies that are also bond issuers, as well as sovereigns and supranationals. MSCI tends to have a broad perspective that we can contrast with our own evaluation of what is material for each issuer. We utilize Trucost for environmental data such as carbon emissions, water utilization, and waste output. When analyzing Trucost data, we look at each company's emissions on an absolute basis as well as relative to peers. This informs our evaluation of a variety of climate change related risks, including costs due to potential carbon taxes and the potential for asset stranding associated with</p>



Questions	MFS Investment Management		
			transition to clean energy. ISS provides governance data, including executive compensation and board composition. Metrics include information about diversity, tenure, independence, size, related party transactions, say-on-pay, etc.
<p>Do you have a Climate Change policy that is integrated into the investment process?</p>	<p>Yes</p> <p>Given recent and proposed regulatory changes and other factors, climate change is likely to be a defining investment topic for the decades ahead, creating financially material risks and opportunities for most issuers. For example, we recognize the Paris Agreement, which has been signed by 195 parties, has had, and likely will continue to have, an influence on global policy developments. This in turn impacts the financial outcomes for many corporate and sovereign/sub-sovereign issuers. As long-term stewards of capital, we aim to evaluate and manage these material climate-related risks and opportunities in our portfolios.</p> <p>Asset managers play a critical role in encouraging the issuers that they invest in to mitigate risks and properly address opportunities, including those related to the transition to a lower-carbon economy. As long-term investors seeking to allocate capital responsibly, we firmly believe that our approach to active ownership, including in-depth issuer research and consistent engagement will produce the best possible outcomes for our clients.</p> <p>Climate change and regulations associated with climate change are materially impacting many businesses' revenue growth, margins and returns, cash flows, capital expenditures and valuation. These impacts are arising due to regional and national regulations (e.g., carbon prices and taxes), changing consumer expectations and increased demand for lower-impact products and services, physical disruptions caused by a changing climate and increased divestment/investment by various investors (other than MFS) based on factors like sector/industry or the companies' perceived impact on and preparedness for climate change. As long-term investors seeking to understand the duration and stability of financial returns, we are assessing and managing this topic at both the issuer (company, sovereign and sub-sovereign) and portfolio level.</p> <p>Issuer and industry analysis</p> <p>As with all risks and opportunities, our assessment of environmental issues such as climate change begins with in-depth, fundamental company and industry analysis. Our investment team has conducted a substantial amount of climate research, which has been shared in sector team discussions, regional investment meetings, thematic presentations and one-on-one interactions. This research has covered a wide range of industries spanning the highly</p>	<p>Do you create your own ESG or Climate Change related scores</p>	<p>No</p> <p>We do not maintain an internal ESG scoring system, as we believe there is no substitute for in-depth issuer analysis. ESG issues are complex, interconnected and evolving too quickly for a single rating or data point to reflect the full extent of sustainability-related risks and opportunities facing a company. However, given that ESG analysis plays a critical role in risk mitigation and alpha generation, MFS has devised a qualitative evaluation system whereby analysts can highlight companies in their coverage in situations they feel that, on balance, material ESG factors represent risk or opportunity. The primary aim of this system is not to be prescriptive, but rather to highlight areas of further research, engagement and discussion.</p>

Questions	MFS Investment Management		
	<p>affected energy, utility and industrial sectors along with other industries that are increasingly being impacted by climate change (e.g., real estate, insurance, consumer staples).</p> <p>Our investment staff uses both proprietary and third-party tools to monitor data on ESG factors relevant to each security. Over the past several years, our efforts to enhance our ESG data integration strategy have advanced substantially. We have broadened the amount of issuer reported data available to the team and improved the entire team's access to that data. We have also substantially enhanced our systems for capturing and escalating insights generated during our engagements, which form an important part of our climate research and investment decision making process. To house our proprietary ESG analysis and relevant issuer-reported and third-party data, MFS maintains easily accessible ESG hubs for issuers within our investment research system. Notes written by our analysts and portfolio managers tagged as containing ESG or engagement content are automatically linked, enabling the broader team to quickly identify and evaluate internal viewpoints on material ESG factors impacting the issuers they cover or hold in a portfolio. Issuers' ESG hubs also include our proprietary ESG "sector maps" for the industry most relevant to its business. MFS' sector maps outline the key environmental and social issues we believe are most material to the industry in which an issuer operates. They include an overview of the topic (including key data points to analyze), including the magnitude of the risk or opportunity.</p> <p>Portfolio analysis</p> <p>In addition to the company-specific research outlined above, MFS has used carbon intensity analysis and otherwise sought to determine the strength of individual company carbon reduction targets in order to assess the climate risk of various portfolios relative to their benchmarks. We have also developed tools that allow our portfolio managers to understand the percentage of companies in their portfolio that disclose carbon data and have implemented a net zero or science-based target. Importantly, however, our portfolio managers' evaluation of their portfolios' climate risks are generally formed based on the detailed, bottom-up research and engagement being conducted by both our analysts and portfolio managers.</p> <p>Additionally, climate-related risks and opportunities feature in our regular portfolio sustainability risk reviews.</p>		

Questions	MFS Investment Management		
	<p>Sovereign analysis</p> <p>Climate change can pose material risks to sovereign debt due to its impact on national expenditures associated with disaster recovery from extreme weather events or preparedness through climate change mitigation and adaptation projects. Emerging market countries are particularly vulnerable since they often lack capital or have higher funding costs — risks added to the numerous risks they already face. Many of these countries could face food insecurity due to the impact of climate change on their own agricultural production and the price of imports. Our investment team members are increasingly focused on better understanding environmental risk in sovereigns and its complex association with fiscal and monetary conditions, which in turn affects bond yields and credit ratings.</p> <p>Green and thematic bonds</p> <p>We are seeing more issuers such as companies, countries and subsovereigns come to the market with green bonds. The proceeds of many of these bonds are earmarked for environmental projects to combat climate change across various categories such as alternative energy, green buildings and infrastructure, water and waste management and environmental remediation. We purchase green bonds along with traditional bonds from various issuers in our fixed income portfolios based solely on our financial analyses of the risk and return potential of these instruments and continue to account for the benefits of holding them.</p> <p>Engagement</p> <p>MFS regularly engages with our investees to inform our understanding of the materiality of the ESG risks and opportunities arising from climate change and to advocate for improvements in governance and disclosure. Over the past several years, we have seen a significant increase in shareholder resolutions seeking increased disclosure around the financial impact of climate change and the long-term implications of a transition to a low-carbon economy. MFS has supported most of these resolutions, as we believe disclosure is necessary to understand the financial materiality of the various climate risks and opportunities facing the issuers we own on behalf of our clients.</p> <p>As a means of enhancing our investment decision-making process, we actively participate in industry initiatives, organizations and working groups that seek to improve and provide guidance on corporate and investor best practices, ESG integration and proxy voting issues. MFS has joined a variety of organizations and initiatives that promote and</p>		

Questions	MFS Investment Management		
	<p>coordinate collaborative engagement on climate change, including the Principles for Responsible Investment (PRI), the CDP and the CDP Science-Based Targets Campaign and others.</p> <p>MFS is an active participant in six CA100+ company engagements, and we are encouraging our portfolio companies to enhance climate disclosures to aid in our analysis and develop and carry out a science-based emissions reduction plan to help mitigate investment risk.</p>		
<p>Does your company have a policy on equality and diversity in the workplace?</p>	<p>Yes</p> <p>Diversity, equity and inclusion (DEI) are foundational to the work we do as active managers, essential to our longevity and critical to our purpose. We've built our DEI strategy based on these beliefs and our commitment to making our firm, industry and world more inclusive.</p> <p>To drive greater diversity, elevate equity, increase inclusion and build belonging, we focus on culture, talent and community both inside MFS and externally with our clients, industry peers and partners. Our strategic DEI goal is to create an inclusive workplace where people of all identities and backgrounds can thrive and grow.</p> <p>Culture: Maintain and enhance an inclusive workplace</p> <p>We believe the best way to enhance our employee experience is by assessing and strengthening our culture. The progress we make on DEI relies heavily on our culture — a shared appreciation and respect for our differences and a willingness to help foster an environment where everyone belongs.</p> <p>Talent: Build a diverse workforce and leadership pipeline</p> <p>Our focus on talent is about building a more diverse workforce, developing diverse leaders and maintaining an employee population that represents the world around us. We're particularly focused on growing and developing our emerging and entry level talent pipelines.</p> <p>Community: Drive DEI in our communities and industry</p>	<p>Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?</p>	<p>Yes</p> <p>We are able to provide a variety of security- and portfolio-level ESG related data to our clients upon request. We publicly disclose our firmwide proxy voting records, as well as those for pooled vehicles managed by MFS, on MFS.com. At the firm level, we publish a Sustainable Investing Annual Report and a quarterly Stewardship Report. Both of these reports give detailed updates to our ESG integration and research activities, our proxy voting activity, engagements and statistics for the time period and an overview and summation of our investment team's ESG-related engagements and outcomes.</p> <p>Please refer to the attached:</p> <p>2022 MFS Annual Sustainability Report</p> <p>MFS Stewardship Report - Q1 2023.</p>

Questions	MFS Investment Management		
	<p>At MFS, every connection matters, whether it's to our clients, our industry and peers or the communities where we work and live. Making the most of these connections and the communities that come with them is a matter of relationships, responsibility and a long view. As long-term thinkers and investors, we understand and have made the time commitment needed to improve on DEI. We also understand that to improve DEI beyond the walls of MFS takes a global vision. For that reason, we're aligning ourselves with other organizations around the world to make progress.</p> <p>Firmwide training and education set the foundation for our DEI progress:</p> <ul style="list-style-type: none"> <li>• Building a consistent foundation — Inclusion training: This is a requirement for all MFS employees. And in 2021, we required all MFS managers to attend specific training focused on their responsibility to create an inclusive work environment. We also offer this training to all new hires and newly promoted managers.</li> <li>• Holding ourselves accountable —Advanced interviewing skills training: To ensure that we give all job candidates equal consideration, we put any employees who might be on interview teams through this training. Our goal is to create firmwide consistency and reduce bias in the interview process, facilitate competency-based interviewing and develop diverse, high-performing interview teams.</li> <li>• Making it personal — A diversity, equity and inclusion goal: To ensure that diversity, equity and inclusion remain a firmwide commitment, we've embedded it in our performance measurement through our employee DEI goal. To achieve this goal, MFS employees must engage in at least five hours of diversity, equity and inclusion activities per calendar year including but not limited to our corporate diversity events, educational panels, recruiting events, participation in employee resource groups (ERGs) and inclusivity training. Managers are also tasked with implementing two inclusive practices on their team and/or work area. Together, these concrete measures will lead to more accountability, engagement and empowerment within all levels of the firm.</li> <li>• Creating ad hoc opportunities to learn: Whether in</li> </ul>		

Questions	MFS Investment Management		
	<p>response to issues arising globally or recognizing the need for reflection, we prioritize taking the time to educate ourselves. Even before Juneteenth was recognized as a federal holiday, we gave employees a half day off on June 19 and supplied a list of resources to help them learn more about the holiday and the Black and African American communities more broadly.</p> <ul style="list-style-type: none"> <li>• Bias and Anti-Harassment Training: MFS conducts several levels of anti-harassment, inclusion and unconscious bias training. All new hires review the harassment policy and complete online training. Thereafter, all employees complete the online harassment prevention training and are sent a reminder email with the policy on an annual basis. Managers participate in extra training that covers their responsibilities in handling and reporting any incidents that come to their attention, as well as helping maintain a positive work environment.</li> </ul> <p>For further details on MFS DEI strategy and goals, please see the MFS Diversity Annual Report 2022:</p>		
<p>Do ESG related factors get considered with respect to performance management of investment companies and funds?</p>	<p>Yes</p> <p>We consider both risks and opportunities when evaluating ESG factors and trends, and we have implemented systematic processes designed to help our investment team manage ESG-related risks at the security and portfolio levels. As part of our systematic approach to understanding ESG risks and opportunities, all MFS equity and fixed income strategies are subject to annual sustainability reviews. Starting in 2020, we introduced annual portfolio sustainability reviews designed by our ESG analysts to provide portfolio managers with a comprehensive view of the ESG risks and opportunities in their portfolios based on MFS' own internal research and viewpoints. These reviews cover a wide variety of company-reported data points while also providing an opportunity for the portfolio manager to ask questions regarding a portfolio, changes in the ESG industry or broad MFS ESG initiatives. These reviews complement both the bottom-up research being conducted across the firm and the ESG portion of our semiannual portfolio review process, which is described below.</p> <p>Separately, the firm's chief risk officer and respective asset class CIOs perform a broader semiannual portfolio review of each portfolio covering a wide variety of topics, including investment risk exposures, investment philosophy and current portfolio positioning. These reviews also incorporate third-party ESG ratings and perspectives such that each portfolio's ESG profile is evaluated against that of its benchmark and ESG</p>	<p>Are you signatories of the FRC UK Stewardship Code or equivalent?</p>	<p>Yes</p> <p>The FRC issued a new version of UK Stewardship Code in 2020, which MFS is a signatory to. MFS was also a signatory to the prior version of the UK Stewardship Code since 2012.</p>

# Fund Manager Business Response

Questions	MFS Investment Management		
	rating changes since the last review. Both the annual portfolio sustainability reviews and the semiannual reviews are intended to prompt additional research and collaboration among the investment team.		

Questions	Columbia Threadneedle Investments		
Do you have an ESG policy that is integrated into the investment process?	Yes Yes	Are Senior Management accountable for ESG or Climate Change risks?	Yes Yes
Do you have a firm ESG rating?	Yes	Do you have a dedicated team that considers ESG and Climate Change related factors?	Yes Yes
Please provide your UNPRI survey scores	Strategy & Governance: A+ Listed Equity - Incorporation: A+ Listed Equity - Active Ownership: A+ Fixed Income - SSA: A Fixed Income - Corporate Non-Financial (New): A Fixed Income - Corporate Non-Financial: A Private Equity (New): A Property (New): B	Do you rely on any third parties to provide ESG and Climate Change related analysis/research?	Yes  MSCI ESG: Our primary source for ESG data. MSCI ESG data and analysis is used to systematically screen client portfolios for ESG risks, identify priority companies for engagement and to inform company analysis. ISS: ISS supplies us with custom research based on our own in-house corporate governance guidelines (which are updated annually based on country-specific best practice standards). Research provided by ISS is used to inform our vote execution as well as company engagement. Broker Research: All members of the Responsible Investment team have access to broker research. The team uses this content to stay on top of market trends, identify companies for engagement and to inform company, market or topic specific research. Examples of Brokers with solid ESG offerings include Kepler Cheuvreux, Natixis, Societe Generale, HSBC and Morgan Stanley. Sustainalytics: Used for landmine and cluster munition screening. Bloomberg: Bloomberg terminals are used to perform qualitative as well as quantitative analysis on a multitude of topics. In particular, Bloomberg has proven useful for linking ESG with financial data to determine the materiality of particular ESG issues. Non-Governmental Organisations(NGO`s): Examples include Transparency International (anti-corruption), Oxfam, CERES and Human Rights Watch. Research provided by NGO`s is used to identify priority companies and identify priority companies for engagement. Other: Our research is also informed by our networks that may provide briefings and publications, including the UN PRI, International Corporate Governance Network and Asian Corporate Governance Association.
Do you have a Climate Change policy that is integrated into the investment process?	Yes Yes	Do you create your own ESG or Climate Change related scores	Yes Yes
Does your company have a policy on equality and diversity in the workplace?	Yes Yes	Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?	Yes Yes - Quarterly and annually

# Fund Manager Business Response

Questions	Columbia Threadneedle Investments		
Do ESG related factors get considered with respect to performance management of investment companies and funds?	Yes	Are you signatories of the FRC UK Stewardship Code or equivalent?	Yes Yes

Questions	Schroders Investment Management Limited		
Do you have an ESG policy that is integrated into the investment process?	<p>Yes</p> <p>Our Environmental, Social and Governance (ESG) Policy is available on our website at: <a href="https://prod.schroders.com/en/sysglobalassets/global-assets/english/campaign/sustainability/integrity-documents/schroders-esg-policy.pdf">https://prod.schroders.com/en/sysglobalassets/global-assets/english/campaign/sustainability/integrity-documents/schroders-esg-policy.pdf</a></p> <p>Our ESG policy applies across our managed assets and outlines our commitments to ESG integration, our approach to active ownership (including voting) and our policy around exclusions. At Schroders, we invest in a wide range of asset classes and therefore our policy contains specific comments on company investments, sovereigns and other asset classes such as convertible bonds, structured credit and insurance linked securities. Our policy also contains a section on our corporate governance principles and what we expect of our investee companies in this regard.</p> <p>Our policy should be viewed alongside our Climate Transition Action Plan (<a href="https://prod.schroders.com/en/sysglobalassets/digital/global/corporate-responsibility/climate-transition-action-plan.pdf">https://prod.schroders.com/en/sysglobalassets/digital/global/corporate-responsibility/climate-transition-action-plan.pdf</a>), which lays out our firm-wide climate commitments, and our Engagement Blueprint (<a href="https://prod.schroders.com/en/sysglobalassets/about-us/schroders-engagement-blueprint-2022.pdf">https://prod.schroders.com/en/sysglobalassets/about-us/schroders-engagement-blueprint-2022.pdf</a>), which explains our principles around active ownership.</p>	Are Senior Management accountable for ESG or Climate Change risks?	<p>Yes</p> <p>Schroders' Group Chief Executive leads our ESG executive committee and retains overall responsibility for the firm's sustainability strategy. We operate a top-down governance structure with executive and Group Management Committee (GMC) members sitting across ESG and corporate responsibility committees. Our Global Head of Sustainable Investment is also a member of the GMC. Members of the GMC have specific objectives relating to sustainability, with a proportion of their variable remuneration dependent on progress against these objectives.</p> <p>We have clear and effective governance structures in place for decision-making and oversight of our ESG Policy and strategy. The Board of Schroders plc (the Board) has collective responsibility for the management, direction and performance of the Group, and is accountable for our business strategy.</p> <p>The Group has a well-defined governance framework based on delegated authority. The Board has reserved certain matters to itself and has also delegated specific responsibilities to Board committees, notably the Nominations Committee, the Audit and Risk Committee and the Remuneration Committee and to the Group Chief Executive. The Group Chief Executive is responsible for proposing the strategy for the Group and for its execution.</p> <p>For a number of years, our executive Directors have had sustainability-related metrics included within their annual bonus scorecard. The specific targets and measures are chosen each year to align to our key priorities.</p> <p>Below the Board and GMC, there are three main sustainability governance committees:</p> <p>The Corporate Responsibility Committee (CR Committee) provides advice to the Group Chief Executive to assist him in discharging his responsibilities regarding corporate responsibility. The Committee considers, reviews and recommends the overall global corporate responsibility strategy, including key initiatives, new commitments and policies to the Group Chief Executive for approval. The Head of Corporate Sustainability, a member of the Committee, reports annually to the GMC and the Board.</p> <p>The ESG Executive Committee (ESG ExCo) considers the Group's sustainability strategy and advises the Global Head of Investment on the Investment Management sustainability strategy and how we aim to achieve our net zero asset management business model. Any updates to our ESG policy are approved by the ESG ExCo and Global Head of Investment.</p> <p>The ESG Regulatory Steering Committee (ESG Reg SteerCo) monitors emergent ESG regulations and determines their high-level impact on our ESG strategy and supporting operations. The committee receives input on forthcoming</p>



Questions	Schroders Investment Management Limited		
			sustainability-related regulation from our in-house Public Policy team, which actively engages with relevant regulators, industry trade associations and other climate initiative bodies, in addition to our in-house ongoing monitoring of the regulatory horizon, including climate regulations.
Do you have a firm ESG rating?	Schroders plc's overall ESG rating from Sustainalytics is 19, from Refinitiv is 76 and from MSCI is AAA (Source: Sustainalytics, Refinitiv and MSCI, as at February 2023.)	Do you have a dedicated team that considers ESG and Climate Change related factors?	<p>Yes</p> <p>Sustainability is fundamental to our investment principles at Schroders and we have an experienced and well-resourced Sustainable Investment team, who are embedded within our Investment function. As at January 2023, the team comprises over 50+ dedicated ESG professionals with over 400 years' combined investment experience. We are a global team, spread across four regional hubs in London, Paris, Singapore and New York, aiming to ensure that sustainability is embedded through our global investment teams and client functions.</p> <p>The team is led by Andrew Howard, Global Head of Sustainable Investment who is also a member of our Group Management Committee. As team head, he oversees our approach to ESG integration, active ownership, our sustainability research and tools, and our reporting and product strategy.</p> <p>Our Sustainable Investment team sits alongside investment teams rather than operating in a silo, which facilitates regular dialogue with our analysts and portfolio managers. It is organised into three pillars: 1) Sustainable Investment Management, incorporating integration, thematic research and models and data, 2) Active Ownership, encompassing engagement and voting and 3) Product, which entails our client, product and solutions activities. We also have regional sustainability specialists in Europe, Asia and North America, who work closely with our regional investment desks and clients globally. We outline their key responsibilities and areas of focus below.</p> <p><b>1. Sustainable investment management</b> Our Integration team works with our investment teams to integrate our proprietary ESG tools and research into their investment processes. They are also responsible for the annual review and integration accreditation of all our investment desks. Our Research team is responsible for conducting research into our key thematic areas and working in collaboration with investors to help them understand how these themes impact their portfolios. Our Models and Data team is responsible for the maintenance and evolution of our suite of proprietary tools. They are also responsible for ESG data, ensuring we harness sustainability data effectively from both conventional and unconventional sources.</p> <p><b>2. Active ownership</b> Our Engagement team partners with investors to have dialogue with the companies in which we invest, seeking to understand how prepared they are for a changing world and pushing them towards more sustainable practices. The team track the progress of these engagements and hold companies to account. Our Corporate Governance team is responsible for voting in line with our Voting Policy and Principles.</p> <p><b>3. Product</b> Our Product team is responsible for all the externally-facing aspects of our sustainability strategy. This includes our suite of products and solutions, client engagement and our engagement with regulators and industry bodies. We also have regional specialists who help our clients around the globe to achieve their sustainability objectives.</p>
Please provide your UNPRI survey scores	We became a signatory to the UNPRI on 29 October 2007, however we have been considering ESG and sustainable investment since 2000. After a delay in the UNPRI reporting cycle, we have now received our 2021	Do you rely on any third parties to provide ESG and Climate Change related analysis/research?	<p>Yes</p> <p>We use information from several external ESG research firms, but only ever as</p>

Questions	Schroders Investment Management Limited		
	<p>scores, reflecting our activity during 2020.</p> <p>The 2021 reporting cycle introduced a new reporting and assessment framework. We have received scores of 4 and 5 stars across all of the modules in the new reporting structure; which ranges from 1-5 stars (5 being the top score).</p> <p>A summary of our scores for the 2021 reporting cycle are available below. Our public transparency report is also available here: <a href="https://ctp.unpri.org/dataportalv2/transparency">https://ctp.unpri.org/dataportalv2/transparency</a>.</p> <p>Module                      Investment &amp; Stewardship Policy: Rating 4 stars                      Direct – Listed Equity (Active quantitative – incorporation): Rating 5 stars                      Direct – Listed Equity (Active fundamental – incorporation): Rating 5 stars                      Direct – Listed Equity (Investment trusts – incorporation): Rating 5 stars                      Direct – Listed Equity (Active quantitative – voting): Rating 5 stars                      Direct – Listed Equity (Active fundamental – voting): Rating 5 stars                      Direct – Listed Equity (Investment trusts – voting): Rating 5 stars                      Direct – Fixed Income – SSA: Rating 5 stars                      Direct – Fixed Income – Corporate: Rating 5 stars                      Direct – Fixed Income – Securitised: Rating 5 stars                      Direct – Real Estate: Rating 4 stars                      Indirect – Listed Equity – Passive: Rating 4 stars                      Indirect – Listed Equity – Active: Rating 4 stars                      Indirect – Fixed Income – Passive: Rating 4 stars                      Indirect – Fixed Income – Active: Rating 4 stars                      Indirect – Private Equity: Rating 5 stars</p>		<p>one input into our own company assessments to be questioned, examined and built on. Third party research may be used by the Sustainable Investment team, however our analysts form a proprietary view on each of the companies we analyse.</p> <p>We currently subscribe to the following external ESG research providers: MSCI ESG research, Bloomberg, EIRIS, Refinitiv and Sustainalytics. In addition, we subscribe to Institutional Shareholder Services and the Investment Association’s Institutional Voting Information Service for our proxy voting research.</p> <p>Aiming to move away from the use of third party ESG scores, we developed CONTEXT. The tool goes beyond a simple tick box approach – it is interactive and customisable, enabling analysts to select the most material ESG factors for each sector, weight their importance and apply relevant metrics. Analysts are then able to compare companies based on the metrics selected, their own company assessment scores or adjusted rankings (by size, sector or region). The unique features of the tool give analysts the flexibility to make company specific adjustments to reflect their specialist knowledge.</p>
<p>Do you have a Climate Change policy that is integrated into the investment process?</p>	<p>Yes</p> <p>We believe it is important to hold ourself to the same high standards we set for our investee companies and our Climate Transition Action Plan (CTAP) outlines how we will manage our business toward net zero emissions across both our own operations and value chain. The latter makes up the majority of our emissions and relates primarily to the investments we make on behalf of our clients. We will deliver that transition to protect and create value for our clients.</p>	<p>Do you create your own ESG or Climate Change related scores</p>	<p>Yes</p> <p>At Schroders we do not take a “one size fits all” approach to ESG integration. We understand that different asset classes require different methods to integrate ESG into their investment processes effectively. We have therefore developed a suite of research-based and quantitative ESG investment tools which provide insights to empower our investors to make decisions. We have outlined our key tools below:</p> <p>SustainEx™                      SustainEx™ provides our investment teams with an estimate of positive and negative “externalities” that companies and countries may create for society. It does this by using metrics chosen by Schroders and quantifying positive (for example, paying “fair wages”) and negative (for example, the level of carbon an issuer emits) metrics to produce an aggregate measure, expressed as a notional percentage of sales (of a company) or GDP (of a country). If a company was handed a bill or a credit note at the end of the year, for the net costs or benefits they created for society, SustainEx™ estimates what that would be.</p> <p>Like companies, we believe that sovereigns may also be assessed in terms of the externalities they may create for society. SustainEx™ estimates global costs and benefits arising from government activities – such as spending on education and infrastructure, predatory taxation, treatment of refugees and biodiversity loss – and how countries may contribute positively or negatively to these. In respect of sovereigns, SustainEx™ uses 29 metrics and covers 150 countries (as at June 2022). The net score of each such country – or its “social value” – is normalised as a percentage of GDP so we can compare country scores in our investment analysis.</p>

Questions	Schroders Investment Management Limited	
		<p><b>CONTEXT™</b> Our flagship ESG research tool, provides a systematic framework for analysing a company's relationship with its stakeholders and the sustainability of its business model. Comprising over 260 metrics across over 13,000 companies, it is designed to support our investors' understanding of the sustainability of companies' business models and profitability, and provides structured, logical and wide-ranging data to support our analysts' views. This consistent structure makes information sharing easier and allows us to identify market wide trends and insights.</p> <p>The tool goes beyond a simple tick box approach – it is interactive and customisable, enabling analysts to select the most material ESG factors for each sector, weight their importance and apply relevant metrics. Analysts are then able to compare companies based on the metrics selected, their own company assessment scores or adjusted rankings (size, sector or region), with the flexibility to make company specific adjustments to reflect their detailed knowledge. The tool is fully integrated within Schroders' global research platform, which is readily accessible across investment desks and geographies.</p> <p>We have also developed a number of proprietary quantitative metrics that can be used to demonstrate and measure a portfolio's sustainability characteristics.</p> <p><b>Country CONTEXT™</b> We recognise that the importance of ESG risks to nations is likely to increase as social and environmental challenges, such as social unrest or climate change – intensify and the world becomes increasingly connected. While many investors consider country risk when allocating capital, there have been few attempts to date that consider the long-term sustainability of countries' growth and whether risks or opportunities are reflected in asset valuations.</p> <p>Country CONTEXT™ aims to provide a structured lens through which to analyse the sustainability of sovereign GDP growth. By assessing the ESG risks and opportunities that have historically driven growth, as well as those that may be influential in the future, it aims to provide investors with a long-term view of countries' GDP growth as well as an indication as to whether the market is pricing in country sustainability factors across various asset classes.</p> <p>We also have a suite of climate tools, recognising that this complex challenge is multi-faceted and we need multiple lenses to build an understand of climate risk across our investments.</p> <p><b>Carbon value at risk (VaR)</b> Carbon footprints remain the dominant measure of carbon exposure, but are an incomplete and sometimes misleading measure of investment risk. We have developed a way of looking at carbon risk, whereby we focus on the ways value will be lost or created as policies strengthen, through financial analysis rather than environmental research. Our carbon value at risk (VaR) model assesses the effect of a significant rise in carbon prices on a company's cost structure, industry prices, volumes and cash flows.</p> <p><b>Climate Progress Dashboard</b> The dashboard monitors change indicators across the four categories that we consider have the most influence on limiting global temperature rises: political change, business and finance, technology solutions and entrenched industry (i.e. fossil fuel use). It provides us and our clients with an objective, transparent and comprehensive view of the pace and scale of global climate action (<a href="https://www.schroders.com/en/sustainability/corporate-responsibility/sustainability/climate-progress-dashboard">https://www.schroders.com/en/sustainability/corporate-responsibility/sustainability/climate-progress-dashboard</a>)</p>

Questions	Schroders Investment Management Limited		
			<p>Net Zero Dashboard This recently, developed tool enables our investment teams and central risk function to monitor the temperature alignment of portfolios. This an important component of meeting our net zero targets. For more information please see our Climate Transition Action Plan: <a href="https://www.schroders.com/en/sysglobalassets/digital/global/corporate-responsibility/climate-transition-action-plan.pdf">https://www.schroders.com/en/sysglobalassets/digital/global/corporate-responsibility/climate-transition-action-plan.pdf</a></p> <p>Physical risk model Our physical risk framework – which we have applied to over 10,000 companies globally – estimates what businesses would have to pay to insure their physical assets against hazards caused by rising global temperatures and weather disruption. Comparing that implied cost to companies’ market values provides a systematic way to help measure, monitor and manage the risks companies face.</p>
<p>Does your company have a policy on equality and diversity in the workplace?</p>	<p>Yes</p> <p>Schroders is committed to providing equal opportunities in employment and to preventing discrimination. Our Equal Opportunities, Bullying, Harassment, Respect and Dignity at Work policy is intended to assist Schroders to put this commitment into practice. Compliance with this policy will ensure that employees do not commit unlawful acts of discrimination and treat one another with dignity and respect.</p> <p>The policy applies to all employees regardless of their seniority together with applicants, consultants and contractors working for us and other individuals such as external suppliers, not directly employed by us but with whom we have dealings during the course of our business.</p> <p>More information is available here: <a href="https://www.schroders.com/en/about-us/people-and-culture/inclusion/">https://www.schroders.com/en/about-us/people-and-culture/inclusion/</a></p>	<p>Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?</p>	<p>Yes</p> <p>At Schroders, we believe that clear and ongoing communication to clients and other stakeholders on our ESG and stewardship activities is important. Over the past few years, we have been working to increase the transparency and usefulness of our reporting.</p> <p>Through the publication of our annual and quarterly Sustainable Investment reports, we demonstrate our engagement activity and progress. We share our research and thought leadership, and provide insights into innovations aimed at maintaining our status as a market leader. We also publicly disclose our global voting activity. More in depth reporting on engagement and voting is supplied to clients.</p> <p>We have a dedicated Sustainability webpage (<a href="https://www.schroders.com/en/sustainability/active-ownership/">https://www.schroders.com/en/sustainability/active-ownership/</a>) which contains a number of reporting including the following:</p> <ul style="list-style-type: none"> <li>– Quarterly Sustainable Investment Report (<a href="https://www.schroders.com/en/sustainability/active-ownership/sustainability-analysis-in-practice/">https://www.schroders.com/en/sustainability/active-ownership/sustainability-analysis-in-practice/</a>) – Current ESG related topics and thematic research, engagements details, voting details.</li> <li>– Annual Sustainable Investment Report (<a href="https://www.schroders.com/en/sustainability/active-ownership/sustainability-analysis-in-practice/">https://www.schroders.com/en/sustainability/active-ownership/sustainability-analysis-in-practice/</a>) – Our approach to ESG Integration, policy details, current ESG related topics and thematic research, engagements details, voting and governance details, general statistics and AUMs, details of industry involvement .</li> <li>– Sustainability insights (<a href="https://www.schroders.com/en/insights/topic-landing-page/?categoryId=499">https://www.schroders.com/en/insights/topic-landing-page/?categoryId=499</a>) on a range of environmental, social and governance factors.</li> <li>– Historical voting reports (<a href="https://www.schroders.com/en/sustainability/active-ownership/voting/">https://www.schroders.com/en/sustainability/active-ownership/voting/</a>).</li> <li>– Engagement Blueprint (<a href="https://www.schroders.com/en/sysglobalassets/about-us/schroders-engagement-blueprint-2022-1.pdf">https://www.schroders.com/en/sysglobalassets/about-us/schroders-engagement-blueprint-2022-1.pdf</a>).</li> <li>– Climate Transition Action Plan (<a href="https://www.schroders.com/en/sysglobalassets/digital/global/corporate-responsibility/climate-transition-action-plan.pdf">https://www.schroders.com/en/sysglobalassets/digital/global/corporate-responsibility/climate-transition-action-plan.pdf</a>).</li> </ul>
<p>Do ESG related factors get considered with respect to performance management of investment companies and funds?</p>	<p>Yes</p> <p>Schroders has integrated the assessment of sustainability factors and risk across our managed assets*. This means that when we assess the performance of our investment teams we do so having regard to</p>	<p>Are you signatories of the FRC UK Stewardship Code or equivalent?</p>	<p>Yes</p> <p>Schroders fully supports the UK Stewardship Code and complies with all its principles. Although the Code is focused on the UK, it is a globally recognised standard and signatories must report on their active ownership activities across</p>

Questions	Schroders Investment Management Limited	
	<p>investment performance that is in part derived from ESG-integrated investment processes. ESG integration, coupled with investment performance measured over at least a five-year period, means that the consideration and management of sustainability factors and risks are a component of our remuneration decisions for our investment teams.</p> <p>Schroders has a proud history of investing sustainably. Our long-term approach leads us to the belief that generating returns for our clients will be intrinsically linked to our ability to identify, measure and engage on the impacts of social and environmental change attributable to the assets in which we invest.</p> <p>In our experience successful investment is intrinsically linked to identifying, understanding and incorporating the effects of ESG trends in our idea generation, analysis, portfolio construction and ownership. While ESG issues are sometimes difficult to quantify, these factors can have a material impact on an investment's performance both in the short and long term, as well as the inherent risk of investing in that asset. Therefore we firmly believe analysing a company's exposure to, and management of, ESG factors, in addition to traditional financial analysis, will enhance our understanding of an investment's fair value and ability to deliver sustainable returns.</p> <p>Active Ownership is an important part of our sustainability strategy. Through active ownership, we aim to drive change that will protect and enhance the value of our investments and we are committed to leveraging the weight of our firm to change how a company is operating for the better. We believe this is an important aspect of our role as stewards of our clients' capital and how we help clients meet their long-term financial goals in line with our fiduciary responsibilities.</p> <p>*For certain businesses acquired during the course of 2020, 2021 and 2022 we have not yet integrated ESG factors into investment decision-making. There are also a small number of strategies for which ESG integration is not practicable or now possible, for example passive index tracking or legacy businesses or investments in the process of or soon to be liquidated, and certain joint venture businesses are excluded.</p>	<p>their entire asset base. Hence, in our report we outline how we apply the Stewardship Code principles globally, taking into account local practice and law. We are mindful of similar stewardship codes in other jurisdictions in which we invest. We keep these under review and look to our statement of compliance with the UK Stewardship Code to be our response to them.</p> <p>Our 2021 Stewardship Code report explaining how we apply the Code's principles in practice can be found at <a href="https://www.frc.org.uk/getattachment/c40289db-0361-4a21-8061-f5eb40e90611/NEW-Schroders-Stewardship-Code-Report-rev-2021.pdf">https://www.frc.org.uk/getattachment/c40289db-0361-4a21-8061-f5eb40e90611/NEW-Schroders-Stewardship-Code-Report-rev-2021.pdf</a></p>

Activity	BLK AQL Corporate Bond Index Fund All Stocks		
Do you undertake Engagements for this fund?	No, Bond Fund	How many engagements have you had with companies in the past 12 months?	
How many engagements were made regarding climate change?		How many engagements were made regarding board diversity?	
How many engagements were made regarding waste reduction?		How many engagements were made regarding financials?	
How many engagements were made regarding other issues?		Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> <li>• Sending standardised letters to companies</li> <li>• Sending bespoke letters to companies</li> <li>• Standard period engagement with companies</li> <li>• Active private engagement on specific issues</li> <li>• Active public engagement on specific issues</li> </ul>	N/A
Please discuss some of the key engagements and outcomes from the last 12 months.	N/A - Bond Fund		
Do you engage in voting for this fund?	No, Bond Fund	Do you conduct your own votes?	N/A - Bond Found
Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	N/A - Bond Found	How many votes were proposed across the underlying companies in the fund?	
How many times did you vote in favour of management?		How many times did you vote against management?	
How many votes did you abstain from?		Do you have a vote you consider the most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> </ul>	N/A, Bond Fund

# Fund Manager Product Response

Activity	BLK AQL Corporate Bond Index Fund All Stocks		
		<ul style="list-style-type: none"> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	
<p>Do you have a vote you consider the second most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'second most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A, Bond Fund</p> <p>N/A</p>	<p>Do you have a vote you consider the third most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'third most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A, Bond Fund</p>
<p>Do you have a vote you consider the fourth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fourth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A, Bond Fund</p>	<p>Do you have a vote you consider the fifth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fifth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A, Bond Fund</p>
<p>Do you have a vote you consider the sixth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'sixth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the</li> </ul>	<p>N/A, Bond Fund</p>	<p>Do you have a vote you consider the seventh most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'seventh most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead</li> </ul>	<p>N/A, Bond Fund</p>

# Fund Manager Product Response

Activity	BLK AQL Corporate Bond Index Fund All Stocks		
company ahead of the vote?		of the vote?	
<p>Do you have a vote you consider the eighth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'eighth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, Bond Fund	<p>Do you have a vote you consider the ninth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'ninth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, Bond Fund
<p>Do you have a vote you consider the tenth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'tenth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, Bond Fund	Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	N/A
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	

Activity	MFS Global Equity Fund.		
Do you undertake Engagements for this fund?	Yes,	How many engagements have you had with companies in the past 12 months?	27
How many engagements were made regarding climate change?		How many engagements were made regarding board diversity?	



Activity	MFS Global Equity Fund.		
How many engagements were made regarding waste reduction?		How many engagements were made regarding financials?	
How many engagements were made regarding other issues?		Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> <li>• Sending standardised letters to companies</li> <li>• Sending bespoke letters to companies</li> <li>• Standard period engagement with companies</li> <li>• Active private engagement on specific issues</li> <li>• Active public engagement on specific issues</li> </ul>	Standard period engagement with companies
Please discuss some of the key engagements and outcomes from the last 12 months.	<p>Measuring the impact of stewardship efforts is notoriously difficult. On one hand, we are cognizant of taking a too simplistic approach to gaging engagement impact, looking purely at what issues we engaged with investees on and what actions were later taken by them. We appreciate that it is extremely challenging to disentangle the effect of our specific engagement efforts from other influential factors, for example, engagement efforts of other managers, stakeholder and regulatory pressure, changing attitudes within the company itself and of consumers, etc. In other words, how do we know that it was our efforts specifically that led to the desired change and not something else? Furthermore, as described above, our approach to constructive engagement is fundamentally long-term and operates on a continuum, rather than being binary with rigid timeframes. This is because our job as investors is to ensure we are agile and thorough when engaging on evolving issues – and we are less concerned about demonstrations of output that we feel are not genuine and in the best interests of our clients. In other words, when do we declare victory or defeat on an issue that is likely to be a multifaceted continuous dialogue on a complex topic? Ultimately though, we strongly believe that the pursuit of better governance and business practice is an industry-wide responsibility, and we shouldn't undersell our role. As a sizeable and respected investor in many companies and issuers, we do have influence and firmly believe that our engagement and proxy voting efforts have led, at least in part, to better management of risks and opportunities. Clients are increasingly demanding evidence of our engagement impact and being able to demonstrate both the input and the output of our efforts is a priority for us. We approach engagements on a case-by-case basis. Our engagement targets are identified in several ways. Our stewardship team engages with companies based on, among other factors, ownership size, vote results and certain thematic topics (e.g., executive compensation, board composition, political contributions disclosures). Additionally, our investment team identifies engagement targets via our own internal ESG research — which is conducted at a stock, industry and thematic level — and shares our views regarding key topics relevant to all issuers. Some examples of recent engagements include: During the first quarter of 2022, MFS reengaged with Danone on a shareholder vote on their climate change plans, which they aren't going to hold during the next annual general meeting. Danone's underlying business unit categories, such as dairy and specialized nutrition, have traditionally been viewed as attractive, based</p>		

Activity	MFS Global Equity Fund.		
	<p>on their 'healthy' credentials, however, category growth has slowed since 2015, and Danone has materially underperformed their subindustry category peers due to poor execution. Recent changes suggest governance and execution should improve, which will hopefully lead to performance more in line with their categories and possibly a re-acceleration of the dairy category with improved innovation. The company's ESG commitment is strong, although it has not necessarily outperformed its peers in terms of tangible results. We hope that continued pressure will result in the vote being held at future AGMs. During the second quarter of 2022, we had an engagement with Walt Disney on proxy, governance, and social risks. Greater clarity on key shareholder proposals and the company's stance helped provide greater context for MFS voting decisions around 1) Lobbying Disclosure 2) Special Meeting Threshold 3) Human Rights Due Diligence Report 4) Pay Equity Report and 5) Workplace Non-Discrimination. In addition, we encouraged the company to consider better metric and goal setting for CEO compensation and performance and will track improvement here over time. We engaged with the company on rotating their auditor (the current auditor has been in place since 1938) as a best practice. Reputational risks remain given the consumer facing nature of the brand and service, but the company constantly evaluates its process to safeguard its brand, content, and reputational equity.</p>		
Do you engage in voting for this fund?	Yes,	Do you conduct your own votes?	Yes
Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	No N/A N/A	How many votes were proposed across the underlying companies in the fund?	1348
How many times did you vote in favour of management?	1285	How many times did you vote against management?	63
How many votes did you abstain from?	1	Do you have a vote you consider the most significant for this fund?: <ul style="list-style-type: none"><li>• Company name</li><li>• Date of the Vote</li><li>• Summary of the resolution</li><li>• On which criteria have you assessed this vote to be 'most significant'?</li><li>• Approximate size of the fund's/ mandate's</li></ul>	Yes,  Honeywell International Inc 2022-04-25Reduce Ownership Threshold for Shareholders to Call Special Meeting For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to

Activity	MFS Global Equity Fund.		
		<ul style="list-style-type: none"> <li>holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>certain thematic or industry trends, etc. 2.03</p> <p>Against Management MFS generally supports proposals requesting the right for shareholders who hold at least 10% of an issuer's outstanding stock to call a special meeting. 38.9%</p> <p>While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.</p>
<p>Do you have a vote you consider the second most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'second most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,</p> <p>The Goldman Sachs Group, Inc. 2022-04-28 Reduce Ownership Threshold for Shareholders to Call Special Meeting Yes 1.73 Against Management MFS generally supports proposals requesting the right for shareholders who hold at least 10% of an issuer's outstanding stock to call a special meeting. 39.3%</p> <p>While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.</p>	<p>Do you have a vote you consider the third most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'third most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,</p> <p>United Parcel Service, Inc 2022-05-05 Report on Lobbying Payments and Policy For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc. 1.03 Against Management MFS voted in favor of the proposal as we believe shareholders would benefit from additional disclosures regarding the company's political contributions and lobbying activity. 29.2%</p> <p>While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.</p>
<p>Do you have a vote you consider the fourth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fourth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,</p> <p>The Charles Schwab Corporation 2022-05-17 Report on Lobbying Payments and Policy For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc. 1.49 Against Management MFS voted in favor of the proposal as we believe shareholders would benefit from additional disclosures regarding the company's political contributions and lobbying activity. 34.7%</p> <p>While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.</p>	<p>Do you have a vote you consider the fifth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fifth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,</p> <p>Amphenol Corporation 2022-05-18 Reduce Ownership Threshold for Shareholders to Call Special Meeting For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc. 0.62 Against Management MFS generally supports proposals requesting the right for shareholders who hold at least 10% of an issuer's outstanding stock to call a special meeting. 43.6%</p> <p>While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.</p>

Activity	MFS Global Equity Fund.		
<p>Do you have a vote you consider the sixth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'sixth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,</p> <p>Linde Plc 2022-07-25 Adopt Simple Majority Vote</p> <p>For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc.</p> <p>Against Management MFS supports shareholder proposals requesting the reduction of the supermajority vote requirement as such an action would further enhance shareholder rights. 52.3%</p> <p>While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.</p>	<p>Do you have a vote you consider the seventh most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'seventh most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,</p> <p>Compagnie Financiere Richemont SA 2022-09-07 Approve Remuneration of Directors For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc. 1.57 Against Management MFS considered our vote on the director remuneration proposal, while we had some initial concerns with the lack of disclosure by the company pertaining to the performance metrics/ targets tied to the company's long term incentive plan, after speaking with representatives of the company and learning more about the structure of the plan, we determined that a vote FOR the proposal was appropriate at this time. N/A While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.</p>
<p>Do you have a vote you consider the eighth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'eighth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,</p> <p>Oracle Corporation 2022-11-16 Elect Directors (Compensation Committee) For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc. 1.75 Against Management As a reflection of our strong, ongoing concerns with the company's pay practices, MFS also voted against the re-election of the members of the compensation committee for the second consecutive year due to what we consider to be poor responsiveness to shareholders in addition to consecutive years of low say-on-pay vote results. 70.3% (average) While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.</p>	<p>Do you have a vote you consider the ninth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'ninth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,</p> <p>Oracle Corporation 2022-11-16 Advisory Vote to Ratify Named Executive Officers' Compensation For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc. 1.75 Against Management MFS voted against the executive compensation proposal due to ongoing year over year concerns around the structure and magnitude of the executive pay program, as well as the lack of performance-based vesting conditions attached to the company's long term incentive plan. 66.8% While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.</p>
<p>Do you have a vote you consider the tenth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'tenth most significant'?</li> </ul>	<p>Yes,</p> <p>Kubota Corp. 2023-03-24 Elect Director Kitao, Yuichi For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities,</p>	<p>Do you monitor the carbon emission levels or similar of the underlying companies in the fund?</p>	<p>MFS has a stated purpose to create long-term value by allocating capital responsibly. Generating strong long-term investment performance is critical to fulfilling this purpose. We believe future investment returns are likely to be impacted by climate change and policies designed to combat it. We expect our companies to have a climate plan to reduce, and in many cases eliminate, their emissions in line with the Paris Agreement goal of reaching net zero by 2050. We will exercise</p>

Activity	MFS Global Equity Fund.		
<ul style="list-style-type: none"> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc. 1.03</p> <p>Against</p> <p>MFS voted against the top executive due to what we consider to be insufficient gender diversity on the board of directors. Specifically, less than 10% of the board comprises gender-diverse directors.</p> <p>Not disclosed</p> <p>While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.</p>		<p>our influence to encourage companies we hold that don't have a climate plan to develop one. Climate plans should not solely focus on emissions reduction, but also consider how to manage physical and transition risks. Companies should also consider how to capitalize on opportunities resulting from the transition to a low-carbon world. Climate change and regulations associated with climate change are materially impacting many businesses' revenue growth, margins and returns, cash flows, capital expenditures and valuation. These impacts are arising due to regional and country commitments (e.g., carbon prices and taxes), changing consumer expectations and preferences for lower impact products and services, physical disruptions caused by a warming climate, and increased divestment/investment based on certain companies' preparedness for climate change. As long-term investors seeking to understand the duration and stability of financial returns, we assess and manage this important issue at both the issuer (company, sovereign or subsovereign) and portfolio level. MFS also regularly engages with companies to encourage better disclosure and management of climate risks. Company and industry analysis As with all risks and opportunities, our assessment of environmental issues such as climate change begins with in-depth, fundamental company and industry analysis. Our investment team has conducted a substantial amount of climate research, which has been shared in sector team discussions, regional investment meetings, thematic presentations and one-on-one interactions. This research has covered a wide range of industries spanning the highly affected energy, utility and industrial sectors along with other industries that are increasingly being impacted by climate change (e.g., real estate, insurance, consumer staples). Our investment staff utilizes both proprietary and third-party tools to monitor data on ESG factors relevant to each security. These tools include engagements with management teams, ESG and carbon data from third-party providers and proprietary ESG Sector Maps that highlight relevant ESG risks and opportunities facing each industry and sector, along with company examples and engagement guidance. Our Investment team has also developed a proprietary stranded assets model. This model assesses the risk of stranding for each energy type and some industrial assets. It has been used to enrich the research collaborations between our ESG analysts and the broader investment team regarding the risks posed by stranding and related issues such as the ongoing fossil fuel divestment movement. Portfolio analysis In addition to the company-specific research outlined above, MFS has used carbon intensity analysis to evaluate the climate risk of various portfolios relative to their benchmarks. Many of our equity portfolios have typically exhibited a lower-carbon footprint than their benchmarks, and we have invested, across many portfolios, in companies that are helping to drive the transition to a lower-carbon world. Because of this, and the depth of our fundamental company analysis, we believe most of our portfolios would respond favorably in scenarios where global temperature increases are severely limited by increased regulation and physical impacts. Engagement MFS supports alignment with the Paris Accord and the goal of limiting temperature increases to below 2o Celsius. We regularly</p>

Activity	MFS Global Equity Fund.		
			<p>engage with our portfolio companies, from both an investment and proxy perspective, in order to inform our understanding of the materiality of ESG risks and opportunities such as climate change and to advocate for improvements in corporate behavior and disclosure. Over the past several years, we have seen a significant increase in shareholder resolutions seeking increased disclosure around the financial impact of climate change and the long-term implications of a transition to a low-carbon economy in line with the 2o Celsius limit. MFS has supported a substantial majority of these resolutions. We have also engaged collectively on climate issues, such as through our participation in the PRI's methane engagement initiative. Firmwide actions and support of climate disclosures At a corporate level, MFS is a proponent of robust disclosure regarding all topics that could materially impact the viability of businesses. In 2019, MFS became a user-signatory of the TCFD as we support their mission to increase and normalize climate-related disclosure by companies. MFS has been a signatory of the CDP (formerly the Carbon Disclosure Project) since 2011, and when engaging with portfolio companies exhibiting poor disclosure practices, we have requested that they begin using the CDP's reporting framework. We use CDP research and carbon data from other sources in a variety of stock, industry and portfolio-level analyses. We have also started discussions with other asset managers regarding the development of ESG integration guidelines for US municipal bonds through our participation in a PRI sponsored work stream.</p>
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	6.93

Activity	CT LDI Nominal Dynamic LDI Fund		
Do you undertake Engagements for this fund?	Yes,	How many engagements have you had with companies in the past 12 months?	23
How many engagements were made regarding climate change?		How many engagements were made regarding board diversity?	
How many engagements were made regarding waste reduction?		How many engagements were made regarding financials?	
How many engagements were made regarding other issues?		Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> <li>• Sending standardised letters to companies</li> <li>• Sending bespoke letters to companies</li> <li>• Standard period engagement with companies</li> <li>• Active private engagement on specific issues</li> <li>• Active public engagement on specific issues</li> </ul>	
Please discuss some of the key engagements and outcomes from the last 12 months.	Barclays PLC At the Q3 investor update, the company announced that it was accelerating its timeline to phase out the financing of thermal coal power in the US from 2035 to		

Activity	CT LDI Nominal Dynamic LDI Fund		
	<p>2030, in line with its approach in the UK and EU. The decision was taken as a result of engagement with shareholders and the introduction of the Inflation Reduction Act in the US. HSBC Holdings PLC HSBC has updated its energy policy to include the ending of funding for new oil and gas projects. In particular it states: HSBC will not provide new finance, or new advisory services, to any client for the specific purposes of O&amp;G exploration, appraisal, development, and production pertaining to: • ultra-deepwater offshore O&amp;G projects; • shale oil projects; extra heavy oil projects; • projects in environmentally and socially critical areas; • infrastructure whose primary use is in conjunction with the above activities.</p>		
Do you engage in voting for this fund?	No, LDI Fund	Do you conduct your own votes?	Not applicable for this fund
Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	Not applicable for this fund	How many votes were proposed across the underlying companies in the fund?	
How many times did you vote in favour of management?		How many times did you vote against management?	
How many votes did you abstain from?		<p>Do you have a vote you consider the most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund

Activity	CT LDI Nominal Dynamic LDI Fund		
<p>Do you have a vote you consider the second most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'second most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A, LDI Fund</p> <p>N/A</p>	<p>Do you have a vote you consider the third most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'third most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A, LDI Fund</p>
<p>Do you have a vote you consider the fourth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fourth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A, LDI Fund</p>	<p>Do you have a vote you consider the fifth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fifth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A, LDI Fund</p>
<p>Do you have a vote you consider the sixth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'sixth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A, LDI Fund</p>	<p>Do you have a vote you consider the seventh most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'seventh most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A, LDI Fund</p>
<p>Do you have a vote you consider the eighth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'eighth most significant'?</li> </ul>	<p>N/A, LDI Fund</p>	<p>Do you have a vote you consider the ninth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'ninth most significant'?</li> </ul>	<p>N/A, LDI Fund</p>



# Fund Manager Product Response

Activity	CT LDI Nominal Dynamic LDI Fund		
<ul style="list-style-type: none"> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>		<ul style="list-style-type: none"> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	
<p>Do you have a vote you consider the tenth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'tenth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund	Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Not Provided
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	

Activity	Schroder Life Intermediated Diversified Growth Fund		
Do you undertake Engagements for this fund?	Yes,	How many engagements have you had with companies in the past 12 months?	1193
How many engagements were made regarding climate change?	611	How many engagements were made regarding board diversity?	130
How many engagements were made regarding waste reduction?	54	How many engagements were made regarding financials?	272
How many engagements were made regarding other issues?	126	Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> <li>Sending standardised letters to companies</li> <li>Sending bespoke letters to companies</li> <li>Standard period engagement with companies</li> <li>Active private engagement on specific issues</li> <li>Active public engagement on specific issues</li> </ul>	N/A
Please discuss some of the key engagements and outcomes from the last 12 months.	Please note our engagement questionnaires are based on the 1 year to the end of December 2022. Attached is the industry standard template which is used for reporting on engagements		

# Fund Manager Product Response

Activity	Schroder Life Intermediated Diversified Growth Fund		
Do you engage in voting for this fund?	Yes,	Do you conduct your own votes?	As active owners, we recognise our responsibility to make considered use of voting rights. We therefore vote on all resolutions at all AGMs/EGMs globally unless we are restricted from doing so (e.g. as a result of share blocking).
Do you use a third party to vote on your behalf?  If Yes, please provide the details of your provider and any comments	<p>Institutional Shareholder Services (ISS) act as our one service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from ISS in line with our own bespoke guidelines, in addition, we receive ISS's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.</p> <p>Institutional Shareholder Services (ISS)</p> <p>Institutional Shareholder Services (ISS) act as our one service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through its Internet-based platform Proxy Exchange. Schroders receives recommendations from ISS in line with our own bespoke guidelines, in addition, we receive ISS's Benchmark research. This is complemented with analysis by our in house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.</p>	How many votes were proposed across the underlying companies in the fund?	15662
How many times did you vote in favour of management?	13412	How many times did you vote against management?	1514
How many votes did you abstain from?	93	<p>Do you have a vote you consider the most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as at the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,</p> <p>Broadcom Inc. 2022-04-04 Elect Director Harry L. You Significant Vote - MGT Governance Proposals; ; Votes against mgmt</p> <p>Against Nominee sits on a number of external boards which may impact their role. Pass We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.</p>

Activity	Schroder Life Intermediated Diversified Growth Fund		
<p>Do you have a vote you consider the second most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'second most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,</p> <p>Hewlett Packard Enterprise Company 2022-04-05 Advisory Vote to Ratify Named Executive Officers' Compensation Yes</p> <p>Against Insufficient vesting period for long-term incentive scheme and certain other concerns Pass We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.</p>	<p>Do you have a vote you consider the third most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'third most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,</p> <p>Vestas Wind Systems A/S 2022-04-05 Ratify PricewaterhouseCoopers as Auditors Significant Vote - MGT Governance Proposals; ; Votes against mgmt</p> <p>Abstain No auditor rotation or tender process for over 10 years. Pass We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.</p>
<p>Do you have a vote you consider the fourth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'fourth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,</p> <p>UBS Group AG 2022-04-06 Ratify PricewaterhouseCoopers as Auditors Significant Vote - Say on Climate; Significant Vote - MGT Governance Proposals; ; Votes against mgmt</p> <p>Against Lack of disclosure of bonus targets. Pass We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.</p>	<p>Do you have a vote you consider the fifth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'fifth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,</p> <p>Sulzer AG 2022-04-06 Approve Remuneration Report (Non-Binding) Significant Vote - MGT Governance Proposals; ; Votes against mgmt</p> <p>Against Lack of disclosure of bonus targets. A cautionary vote FOR the remuneration report is warranted, though not without concerns: - Only limited ex-post disclosure is provided to explain the evolution of variable payouts versus company performance. - Total CEO pay appears high relative to peers and in the context of TSR performance in the previous three-year period. The main reasons for supporting this item are: - The overall compensation framework is broadly in line with market practice. - Increased CEO pay partly results from the vesting of half of an extraordinary PSU grant, awarded as a retention instrument in response to US sanctions in 2018. We note that base pay has remained unchanged over the past three years. Pass We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.</p>
<p>Do you have a vote you consider the sixth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'sixth most significant'?</li> <li>Approximate size of the fund's/ mandate's</li> </ul>	<p>Yes,</p> <p>Husqvarna AB 2022-04-07 Approve Performance Share Incentive Program LTI 2022</p> <p>Significant Vote - MGT Governance Proposals; ; Votes against mgmt</p>	<p>Do you have a vote you consider the seventh most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'seventh most significant'?</li> <li>Approximate size of the fund's/ mandate's</li> </ul>	<p>Yes,</p> <p>AFC Energy Plc 2022-04-07 Accept Financial Statements and Statutory Reports Significant Vote - MGT Governance Proposals; ; Votes against mgmt</p> <p>Against</p>

Activity	Schroder Life Intermediated Diversified Growth Fund		
<ul style="list-style-type: none"> <li>holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Against Lack of disclosure around the performance targets so unable to assess the stringency of the award. Pass We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.</p>	<ul style="list-style-type: none"> <li>holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>A vote AGAINST this resolution is warranted because of the following reasons: - The Key Committees includes a non-independent member; - The performance conditions for the options granted to the Executive Directors relate to share price targets, a measure considered to have a number of drawbacks; - The options granted to the Executive Directors under the Transitional Award Plan vest in less than three years; and - Some of the outstanding awards of the Executive Director were repriced during the year under review. The board is less than 20% female. Pass We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.</p>
<p>Do you have a vote you consider the eighth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'eighth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,  Royal Bank of Canada 2022-04-07 Elect Director Kathleen Taylor Significant Vote - SH E&amp;S Proposal; Significant Vote - MGT Governance Proposals; Significant Vote - SH Governance Proposal; ; Votes against mgmt  Withhold The nominee is chair of the board, and we are not satisfied with the company's progress on climate transition. Pass We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.</p>	<p>Do you have a vote you consider the ninth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'ninth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,  CaixaBank SA 2022-04-07 Advisory Vote on Remuneration Report Significant Vote - MGT Governance Proposals; ; Votes against mgmt  Against Less than 50% of STI targets are financial. Pass We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.</p>
<p>Do you have a vote you consider the tenth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'tenth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>Yes,  Nestle SA 2022-04-07 Approve Remuneration Report Significant Vote - MGT Governance Proposals; ; Votes against mgmt  Against Lack of disclosure around performance targets so unable to assess pay for performance alignment. Pass We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.</p>	<p>Do you monitor the carbon emission levels or similar of the underlying companies in the fund?</p>	

# Fund Manager Product Response

Activity	Schroder Life Intermediated Diversified Growth Fund		
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	104

Activity	CT LDI Short Profile Real Dynamic LDI Fund		
Do you undertake Engagements for this fund?	Yes,	How many engagements have you had with companies in the past 12 months?	23
How many engagements were made regarding climate change?		How many engagements were made regarding board diversity?	
How many engagements were made regarding waste reduction?		How many engagements were made regarding financials?	
How many engagements were made regarding other issues?		Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> <li>• Sending standardised letters to companies</li> <li>• Sending bespoke letters to companies</li> <li>• Standard period engagement with companies</li> <li>• Active private engagement on specific issues</li> <li>• Active public engagement on specific issues</li> </ul>	
Please discuss some of the key engagements and outcomes from the last 12 months.	<p>Barclays PLC At the Q3 investor update, the company announced that it was accelerating its timeline to phase out the financing of thermal coal power in the US from 2035 to 2030, in line with its approach in the UK and EU. The decision was taken as a result of engagement with shareholders and the introduction of the Inflation Reduction Act in the US. HSBC Holdings PLC HSBC has updated its energy policy to include the ending of funding for new oil and gas projects. In particular it states: HSBC will not provide new finance, or new advisory services, to any client for the specific purposes of O&amp;G exploration, appraisal, development, and production pertaining to: • ultra-deepwater offshore O&amp;G projects; • shale oil projects; extra heavy oil projects; • projects in environmentally and socially critical areas; •infrastructure whose primary use is in conjunction with the above activities.</p>		
Do you engage in voting for this fund?	No, LDI Fund	Do you conduct your own votes?	Not applicable for this fund
Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	Not applicable for this fund	How many votes were proposed across the underlying companies in the fund?	

Activity	CT LDI Short Profile Real Dynamic LDI Fund		
How many times did you vote in favour of management?		How many times did you vote against management?	
How many votes did you abstain from?		Do you have a vote you consider the most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund
Do you have a vote you consider the second most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'second most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund  N/A	Do you have a vote you consider the third most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'third most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund
Do you have a vote you consider the fourth most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fourth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the</li> </ul>	N/A, LDI Fund	Do you have a vote you consider the fifth most significant for this fund?: <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'fifth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead</li> </ul>	N/A, LDI Fund

Activity	CT LDI Short Profile Real Dynamic LDI Fund		
company ahead of the vote?		of the vote?	
<p>Do you have a vote you consider the sixth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'sixth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	, LDI Fund	<p>Do you have a vote you consider the seventh most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'seventh most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund
<p>Do you have a vote you consider the eighth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'eighth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund	<p>Do you have a vote you consider the ninth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'ninth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund
<p>Do you have a vote you consider the tenth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'tenth most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the</li> </ul>	N/A, LDI Fund	Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Not Provided

# Fund Manager Product Response

Activity	CT LDI Short Profile Real Dynamic LDI Fund		
company ahead of the vote?			
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	

Activity	CT LDI Real Dynamic LDI Fund		
Do you undertake Engagements for this fund?	Yes,	How many engagements have you had with companies in the past 12 months?	23
How many engagements were made regarding climate change?		How many engagements were made regarding board diversity?	
How many engagements were made regarding waste reduction?		How many engagements were made regarding financials?	
How many engagements were made regarding other issues?		Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> <li>• Sending standardised letters to companies</li> <li>• Sending bespoke letters to companies</li> <li>• Standard period engagement with companies</li> <li>• Active private engagement on specific issues</li> <li>• Active public engagement on specific issues</li> </ul>	
Please discuss some of the key engagements and outcomes from the last 12 months.	<p>Barclays PLC At the Q3 investor update, the company announced that it was accelerating its timeline to phase out the financing of thermal coal power in the US from 2035 to 2030, in line with its approach in the UK and EU. The decision was taken as a result of engagement with shareholders and the introduction of the Inflation Reduction Act in the US. HSBC Holdings PLC HSBC has updated its energy policy to include the ending of funding for new oil and gas projects. In particular it states: HSBC will not provide new finance, or new advisory services, to any client for the specific purposes of O&amp;G exploration, appraisal, development, and production pertaining to: • ultra-deepwater offshore O&amp;G projects; • shale oil projects; extra heavy oil projects; • projects in environmentally and socially critical areas; • infrastructure whose primary use is in conjunction with the above activities.</p>		
Do you engage in voting for this fund?	No, LDI Fund	Do you conduct your own votes?	Not applicable for this fund



# Fund Manager Product Response

Activity	CT LDI Real Dynamic LDI Fund		
<p>Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments</p>	Not applicable for this fund	How many votes were proposed across the underlying companies in the fund?	
How many times did you vote in favour of management?		How many times did you vote against management?	
How many votes did you abstain from?		<p>Do you have a vote you consider the most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund
<p>Do you have a vote you consider the second most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'second most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A, LDI Fund</p> <p>N/A</p>	<p>Do you have a vote you consider the third most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'third most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund

Activity	CT LDI Real Dynamic LDI Fund		
<p>Do you have a vote you consider the fourth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'fourth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund	<p>Do you have a vote you consider the fifth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'fifth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund
<p>Do you have a vote you consider the sixth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'sixth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund	<p>Do you have a vote you consider the seventh most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'seventh most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund
<p>Do you have a vote you consider the eighth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'eighth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund	<p>Do you have a vote you consider the ninth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'ninth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A, LDI Fund
<p>Do you have a vote you consider the tenth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'tenth most significant'?</li> </ul>	N/A, LDI Fund	<p>Do you monitor the carbon emission levels or similar of the underlying companies in the fund?</p>	Not Provided

# Fund Manager Product Response

Activity	CT LDI Real Dynamic LDI Fund		
<ul style="list-style-type: none"> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>			
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	

Activity	CT Sterling Liquidity Fund		
Do you undertake Engagements for this fund?	Yes,	How many engagements have you had with companies in the past 12 months?	6
How many engagements were made regarding climate change?	4	How many engagements were made regarding board diversity?	1
How many engagements were made regarding waste reduction?		How many engagements were made regarding financials?	
How many engagements were made regarding other issues?		Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> <li>Sending standardised letters to companies</li> <li>Sending bespoke letters to companies</li> <li>Standard period engagement with companies</li> <li>Active private engagement on specific issues</li> <li>Active public engagement on specific issues</li> </ul>	
Please discuss some of the key engagements and outcomes from the last 12 months.	<p>Australia &amp; New Zealand Banking Group Ltd In November 2022 ANZ updated their climate change strategy and expanded climate targets to four additional sectors: oil &amp; gas, aluminium, cement, and steel. This is in addition to power generation and large scale commercial real estate. This was published alongside an updated TCFD report, as well as an announcement that the bank had set a new \$100 billion target for sustainable solutions by 2030. In December 2020 we voted FOR a climate-related resolution at the companies AGM and emailed the company in advance sharing our rationale. In their 2021 AGM we again supported another climate-related resolution seeking enhanced disclosure of the company's transition plan.</p>		
Do you engage in voting for this fund?	No, Not applicable for this fund	Do you conduct your own votes?	Not applicable for this fund

# Fund Manager Product Response

Activity	CT Sterling Liquidity Fund		
<p>Do you use a third party to vote on your behalf?</p> <p>If Yes, please provide the details of your provider and any comments</p>	Not applicable for this fund	How many votes were proposed across the underlying companies in the fund?	
How many times did you vote in favour of management?		How many times did you vote against management?	
How many votes did you abstain from?		<p>Do you have a vote you consider the most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,
<p>Do you have a vote you consider the second most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'second most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	<p>N/A,</p> <p>N/A</p>	<p>Do you have a vote you consider the third most significant for this fund?:</p> <ul style="list-style-type: none"> <li>• Company name</li> <li>• Date of the Vote</li> <li>• Summary of the resolution</li> <li>• On which criteria have you assessed this vote to be 'third most significant'?</li> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,

Activity	CT Sterling Liquidity Fund		
<p>Do you have a vote you consider the fourth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'fourth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,	<p>Do you have a vote you consider the fifth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'fifth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,
<p>Do you have a vote you consider the sixth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'sixth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,	<p>Do you have a vote you consider the seventh most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'seventh most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,
<p>Do you have a vote you consider the eighth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'eighth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,	<p>Do you have a vote you consider the ninth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'ninth most significant'?</li> <li>Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>How did you vote?</li> <li>Rationale of the voting decision</li> <li>Outcome of the vote</li> <li>Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>	N/A,
<p>Do you have a vote you consider the tenth most significant for this fund?:</p> <ul style="list-style-type: none"> <li>Company name</li> <li>Date of the Vote</li> <li>Summary of the resolution</li> <li>On which criteria have you assessed this vote to be 'tenth most significant'?</li> </ul>	N/A,	<p>Do you monitor the carbon emission levels or similar of the underlying companies in the fund?</p>	Yes

# Fund Manager Product Response

Activity	CT Sterling Liquidity Fund		
<ul style="list-style-type: none"> <li>• Approximate size of the fund's/ mandate's holding as a the date of the vote</li> <li>• How did you vote?</li> <li>• Rationale of the voting decision</li> <li>• Outcome of the vote</li> <li>• Where you voted against management, did you communicate your intent to the company ahead of the vote?</li> </ul>			
What is the target turnover rate for the portfolio?		What was the actual turnover rate over the last 12 months?	

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