

William Blair

Investment Management

UK Stewardship Code
2022 Report



Who We Are

William Blair’s mission is to empower colleagues, deliver client success, and engage in our communities. As fiduciaries to asset owners, we commit to being responsible stewards of their capital in line with being a signatory to the United Nations (UN)-supported Principles for Responsible Investment (PRI).

WBC Holdings, L.P. (“William Blair” or the “Firm”) is a private partnership that is 100% owned by its active employees.

William Blair Investment Management, LLC (“William Blair Investment Management” or “WBIM” or “we” or “our”) is organized as a separate legal entity and is a regulated investment firm. It is a subsidiary of William Blair and houses the institutional investment management business of William Blair.

We are an active manager whose heritage is built on rigorous, fundamental analysis. We are selective and proactive with every capital allocation decision we make pertaining to investments that we believe will deliver long-term and sustainable value creation.

We are on a continuing journey to explore and define the ways that environmental, social, and governance (ESG) factors, impact investing, and corporate social responsibility inform the ways we create value for our clients, colleagues, and communities. Further, by incorporating sustainability and corporate governance factors into our fundamental analysis, William Blair Investment Management is working to create a more complete picture of the risks and opportunities facing issuers today.

Consistent with our active investment approach and our commitment to uphold the principles of the PRI and the UK Stewardship Code, we have systematically integrated ESG factors in our investment process. Our integration of ESG factors encompasses active engagement with companies and issuers, which enhances our understanding of risks and opportunities and informs our voting decisions.

Our journey to deeper, authentic integration continues to evolve, and is essential to our goal of continually improving as investors. We invite you to learn about the progress we have made on this journey.

Overseen by the Financial Reporting Council (FRC), the independent regulator that supervises financial reporting, accounting and auditing, and corporate governance in the United Kingdom, the UK Stewardship Code sets out the definition and principles for effective stewardship by institutional investors. William Blair Investment Management fully supports the UK Stewardship Code, and seeks to apply the same principles globally, taking into account local practice and law.

Principle 1: Purpose, Strategy, and Culture

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

Purpose

Our founder, William McCormick Blair, created a firm that was steadfastly and singularly focused on its client success, stating that “when our clients succeed, the firm’s success will follow.” As fiduciaries to our clients, we have a duty to put their interests first and we embrace our role as stewards of our clients’ assets. We are passionate about the profession of investment management. We are an independent, 100% active-employee-owned firm with no distractions from our sole priority: creating strong, risk-adjusted returns for our clients.

Investment Beliefs and Strategy

At William Blair Investment Management, we are ardent about investment management. Our investment teams are focused solely on active management for institutional clients and employ disciplined, analytical research processes across a wide range of strategies, including U.S. equity, global equity, and emerging markets debt strategies.

Our highly collaborative teams draw on intensive research and insightful judgment that comes only from experience, and our investment processes are designed to be disciplined, rigorous, and most importantly, repeatable. Moreover, we evolve to meet our clients’ needs while remaining true to our core investment strengths and maintaining our uncompromising integrity. This consistent approach builds alignment and client relationships that endure over the long term.

Our approach to active management consists of autonomous teams with shared values operating in an environment in which investment professionals can thrive. A strong foundation gives each team the freedom and resources to engage in high conviction investing in the pursuit of alpha. Each of our investment teams defines “active” differently within their strategies.

Moreover, at William Blair Investment Management, active management is much more than an investment approach. While stability has been at the core of our existence since our founding, our active ownership culture promotes a dynamic environment in which our business and investment processes continuously evolve with a constant focus to align with clients’ interests and help them achieve successful investment outcomes.

Operating with integrity and adhering to ethical values are essential elements of William Blair’s business model. These standards are infused in all the firm’s business units and serve as the foundation of the firm’s emphasis on long-term relationships and stewardship commitment. Whether dealing with clients, vendors, counterparties, or intermediaries, the firm is committed to operating with the utmost integrity in every relationship and transaction.

In order to keep a pulse on our clients’ needs and ensure we understand their goals, there are several channels of communication we offer and maintain. First, we take a proactive, hands-on approach to client service and uphold open channels of communication with our clients. This includes regularly meeting with clients to receive feedback on our stewardship and investment activities and integrating this feedback into our ongoing ESG strategy discussions. Many of our clients receive regular ESG reporting that is often customized to meet their needs and provide transparency on an individual portfolio level. We view our client relationships as partnerships that foster idea sharing and collaboration. We routinely engage with clients and incorporate their feedback to inform our communication of activities.

ESG Factors

As an active manager whose heritage is built on rigorous, fundamental analysis, we have long realized that ESG factors have a meaningful impact on an issuer’s ability to create sustainable value. By incorporating sustainability

Principle 1: Purpose, Strategy, and Culture (continued)

and governance factors into our fundamental analysis, we are working to create a more complete picture of the risks and opportunities facing issuers today as well as in the future.

Across our fundamental equity strategies, our investment philosophy is based on identifying quality companies that are able to produce excess returns on invested capital over time and use those returns to control their destiny—a concept we refer to as sustainable value creation. We believe that a company's ability to do this is inextricably and increasingly linked to ESG factors, whether it is developing environmentally sustainable products, improving safety for workers across the supply chain, or enhancing governance practices and transparency.

ESG integration is also increasingly relevant to our fixed-income strategies. As fixed-income investors, ESG factors provide a valuable lens through which to evaluate the quality of company management and corporate culture, in addition to cash flows, the balance sheet, and overall business strength. Most importantly, we believe that companies can use sustainable practices to reduce their operating risk, thus enhancing the risk-adjusted returns of their bonds.

As investors in sovereign debt, ESG integration informs our assessment of economic fundamentals, long-term growth, and fiscal debt trajectories. Governance has traditionally been the most important ESG-related component of our sovereign bond analysis, including the credibility and accountability of policy makers, which are key determinants of a sovereign's ability and willingness to repay its debt. We also believe that it is important to evaluate an issuer's progress toward improving their sustainability practices.

ESG Framework

We have spent a significant amount of time exploring industry-specific ESG factors that allow us to make more informed decisions based on our investment philosophy and client objectives. In 2018, we undertook an extensive industry-level ESG materiality review, leveraging our equity analysts' insights with input from the provisional Sustainability Accounting Standards Board (SASB) materiality standards.

In each category, our analysts determined what specific issues are likely to be material for companies in each Global Industry Classification Standard (GICS) industry. In addition, they developed a set of sample questions that address material issues on an industry-specific basis to use in discussions with management teams. Analysts are prompted with these topics and questions when issuing ESG ratings and recommendation reports.

For equity strategies, WBIM's equity teams integrate ESG risks and opportunities into their company analysis. This is guided in part by WBIM's materiality framework, which highlights industry relevant ESG attributes that inform our initial investment thesis and ongoing due diligence.

Materiality of ESG factors varies across companies, industries, sectors, capitalizations, and regions. The equity teams use nine different categories of issues within the materiality framework to guide their identification and analysis of material ESG factors at the industry level. The relevance of factors identified at the industry level varies at the company level. The framework was designed by the research analysts to be a reference tool for industry-relevant topics and engagement questions. It is embedded in WBIM's proprietary online research and communication platform to facilitate consistent integration in the investment process. Not every topic included in the framework will be relevant for each company. We may consider factors that are not explicitly referenced in the framework.

Our equity strategies' materiality framework helps to inform the assignment of qualitative E, S, and G scores by the research analysts, reflecting their assessment of companies' practices relative to industry peers on a 1 to 5 scale (1 is best). Research analysts assign E, S, and G scores on a qualitative basis, based on companies' disclosures and practices.

In addition to conducting primary research that includes interactions with management, analysts may also use research from third parties such as global investment banks and ESG rating providers as a complement to their analysis. When assigning scores for companies under their coverage, analysts primarily focus on how material ESG

Principle 1: Purpose, Strategy, and Culture (continued)

risks and opportunities are managed and evidence of integration in business strategy, focusing on behavior in addition to disclosures.

For debt strategies, WBIM typically utilizes a proprietary scorecard to assess ESG-related risks for issuers. WBIM's assessment of ESG factors for emerging markets debt sovereign issuers is guided by a proprietary scoring model that incorporates data obtained from third-party vendors and by publicly available sources. For corporate issuers, WBIM identifies material sustainability issues within each ESG pillar. Research analysts score subfactors on a qualitative basis, based on a company's disclosures and interactions with management. They may also use research from third parties such as global investment banks, ESG rating providers, and credit rating agencies as a complement for their analysis.

Each subfactor is scored on a range from 0 to 100 and different weights are attributed to environmental, social, and governance factors according to an issuer's industry, as per JP Morgan CEMBI sector classification. Subfactor scores are rolled up into an ESG pillar score. While scoring, we seek to take into consideration not only whether issuers have addressed ESG issues through policies, but also whether they have identified points of improvement; established concrete targets to improve them; and exhibited an ability to deliver on these targets over time.

WBIM's debt team complements the current state analysis by incorporating a forward-looking view on each issuer's progress concerning ESG factors by attributing

an outlook—positive, negative, or neutral—to its overall ESG score. This may be driven, for example, by upcoming changes in management or the phaseout of certain operations that are harmful to the environment.

We also seek to assess issuers' approach to actual ESG incidents—including fines, accidents, and investigations, among others—by attributing an incident management outlook to the score, when applicable. While internal policies may suggest good ESG practices, the response to incidents allows for a more concrete assessment of issuers' internal controls and/or appropriateness of their responses. We seek to continuously enhance our framework over time as issuers' disclosure and regulatory standards evolve. Our materiality framework, which is summarized by key topics in Exhibit 1, has proved to be a valuable tool for informing our analysts' and portfolio managers' conversations and decision-making about issuers and industries. We continuously work to enhance this framework and how it is integrated into our process.

ESG integration and active ownership are key elements of our active investment approach, and we have systematically embedded ESG analysis in investment teams to provide enhanced perspectives on opportunities and risks. While we have taken a bottom-up approach to integration and stewardship consistent with our fundamental research focus, our executive leadership team has put in place a formal oversight structure to drive strategic ESG objectives and alignment of practices across the firm.

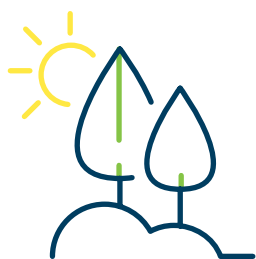


Principle 1: Purpose, Strategy, and Culture (continued)

EXHIBIT 1

William Blair Investment Management Materiality Framework Topic Structure

Environmental Categories



Climate Change

Carbon/greenhouse gas emissions, exposure to potential climate regulation (e.g., stranded assets), exposure to physical climate changes (e.g., weather, natural disasters), exposure to market opportunities, innovation, or subsidies in renewable energy.

Natural Resources Stewardship

Responsible depletion of natural resources including water, commodities and land, impact on biodiversity, exposure to market opportunities, innovation, or government subsidies in the areas of energy efficiency, sustainable water, green building.

Pollution and Waste

Toxic emissions and waste, packaging, electronic waste, exposure to market opportunities, innovation, or government subsidies in pollution/waste prevention and control.

Social Categories



Human Capital

Employee recruitment and development/retention (e.g. pay, benefits, diversity, equity and inclusion), workplace health and safety, exposure to operational risks from labor unrest.

Customer Well-Being

Product quality and safety, responsible marketing, data privacy and security; exposure to market opportunities/reputation benefits through access to finance, healthcare, nutrition, or communications.

Supply Chain Management

Managing opportunities and risks beyond direct operations.

Community Relations

Consideration of other stakeholders, community engagement and development.

Governance Categories



Corporate Governance

Board experience and structure (independence, entrenchment, diversity), ownership and control (minority shareholder rights), executive compensation.

Corporate Culture

The extent to which corporate values influence value creation, management track record, compliance with the spirit of laws/regulations, bribery, and corruption risk exposure.

Principle 1: Purpose, Strategy, and Culture (continued)

Culture

Serving our clients starts with the capabilities and collaboration of our team—making our employees our most important asset. When we create an environment in which employees perform their best, our delivery for clients will be the best it can be. As a firm, we are committed to the places in which we live and work, engaging with local communities all over the world.

As described under Principle 2, diversity, equity, and inclusion are business imperatives for William Blair Investment Management and are aligned with and integrated into our mission, vision, and values.

Diversification has value beyond investment portfolios. We believe that diversity of skills, experience, capabilities, and perspectives is essential for the innovative thinking that our clients demand from us. We are committed to creating a culture based on diversity, equity, and inclusion. In addition, we are building a workplace environment that gives our people the tools, resources, and opportunities to unlock their potential and fulfill their personal missions. These efforts are not just good for employee morale, they are fundamental to our company's growth and continued success.

To facilitate a community of diverse perspectives and backgrounds, we have implemented a targeted talent strategy designed to: 1) increase the frequency, transparency, and relevance of conversations between employees and managers; 2) create clear firmwide guidelines for what is expected of our employees; 3) support ongoing learning and development opportunities; and 4) foster a culture in which all employees feel included in a community that embraces differences and values, and respects each individual.

EXHIBIT 2

Our Mission, Vision, and Values

Our strategic focus aligns us across businesses, geographies, and new opportunities. To create it, we sought broad participation to make sure that it would be meaningful to our employees, clients, and communities. The results outline our common purpose and our collective future.

Mission

Empower colleagues.
Deliver client success.
Engage in our communities.

Vision

Be the premier global boutique.

Values

Integrity

Honor our commitments while always upholding the highest ethical standards.

Client Focus

Driven to provide exceptional service and outcomes.

Engagement

Find joy in what we do, seek balanced lives, and celebrate the successes of our clients, teams, and each other.

Inclusivity

Actively embrace diversity of thought, opinion, and background.

Excellence

Set the highest bar for quality in all our pursuits.

Agility

Anticipate new opportunities, embrace change, and adapt.

Entrepreneurship

Promote organizational, team, and individual initiative.

Partnership

Be leaders, investing together in the enduring success of our colleagues, clients, and communities.

Principle 1: Purpose, Strategy, and Culture (continued)

Investing in Our Communities

Each year, the Firm's employees contribute to hundreds of charitable organizations through their time, investments, and leadership. We seek to empower their philanthropic visions by providing up to \$11,500 (USD) per employee in annual matching gifts. More than 300 employees serve in leadership roles on non-profit boards. In addition to matching programs, each employee receives one paid day off for volunteer work and a grant of \$50/hour volunteered (up to \$250 annually).

The Firm and its foundation invested \$4 million in local communities in 2022 to 1,300 organizations across 12 countries, and employees donated approximately \$5 million to the same organizations, more than doubling William Blair's impact through the Firm's employee match programs. More than half of all employees and more than 90% of partners participated in William Blair's matching gifts programs in 2022. The Firm also invests catalytic human and financial capital in charities worldwide through its employee-inspired Global Community Partners Program. The program was expanded to all global offices for 2022-2023, which resulted in 23 new community partners globally. Since its inception in 2011, William Blair and its employees have donated nearly \$6 million to over 50 global community partners.

Environmental Sustainability

Environmental sustainability is a priority for William Blair. The Firm continues to measure its operational carbon footprint to evaluate its impact on the environment using Persefoni's carbon accounting platform, aligned

to the Greenhouse Gas Protocol, calculating scope 2 and 3 emissions. This data is utilized to focus on the Firm's sustainability efforts.

Nearly 90% of the Firm's leasehold footprint is LEED or BREEM certified, while 79% of the Firm's office spaces have their own independent LEED or BREEM certification. This includes the Firm's global headquarters, which was built and designed to LEED gold standards. Whenever possible, William Blair chooses green materials and solutions for its buildings, such as Lutron lighting systems that automatically dim when daylight is plentiful. All of William Blair's leasehold offices recycle and 40% compost. In addition, the Firm e-cycles or donates outdated technology items to PCs for People, a non-profit that provides refurbished computers to eligible, low-income customers at affordable prices.

The Firm's London office is relocating in June 2023. William Blair considered the environmental impacts of building a new office, and made choices designed to mitigate those factors, including using timber joinery and flooring made from FSC renewable sources, sourcing carbon neutral carpet, purchasing recycled glass countertops, and installing coffee machines that do not use water boilers. Where possible, existing furniture will be moved and reused. In addition, biophilia walls and urban farms will be installed. William Blair contracted with Carbonica to track and report the GHG emissions associated with constructing and moving into the new London office space.



Principle 2: Governance, Resources, and Incentives

Signatories' governance, resources, and incentives support stewardship.

Governance

William Blair's governance structure is designed to align with our private partnership's entrepreneurial structure, which empowers our business groups while simultaneously ensuring our structure is reflective of our Firm's mission, vision, and values. Operating with integrity and adhering to ethical values are essential elements of William Blair's business model. These standards are infused in all the Firm's business units and serve as the foundation of the Firm's emphasis on long-term relationships and stewardship commitment. Whether dealing with clients, vendors, counterparties, or intermediaries, the Firm is committed to operating with the utmost integrity in every relationship and transaction.

William Blair's organizational structure results in managerial oversight of daily operations. Members of the firm's nine-person executive committee and other members of senior management are positioned to carry out objective decision making and oversee business activities. In addition to managing business units, members of the executive committee also participate in executing the firm's core competencies.

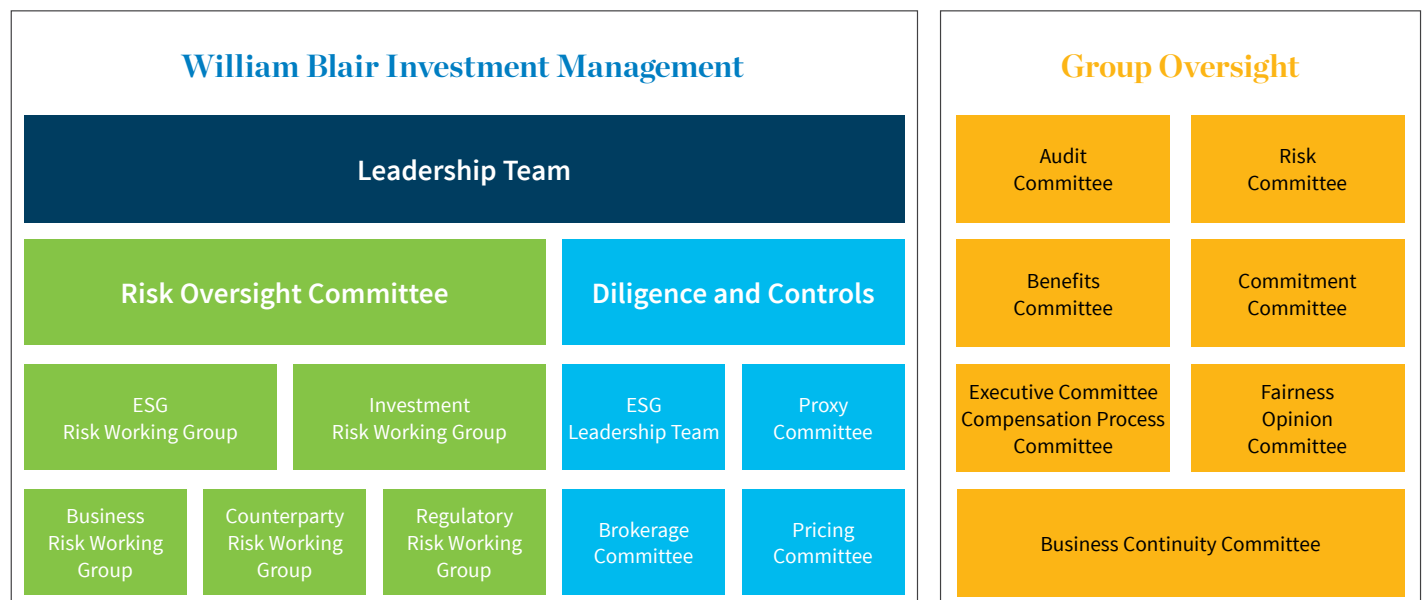
William Blair assesses its governance through feedback and surveys from partners. In addition, in 2022, the firm retained an external consultant to benchmark governance practices against industry peers. Recent enhancements have been the expansion of the scope of the Extended

EXHIBIT 3

Governance Structure Overview

William Blair Executive Committee

William Blair Extended Leadership Group



Source: William Blair, as of December 31, 2022.

Principle 2: Governance, Resources, and Incentives (continued)

Leadership Group, the creation and evolution of the Executive Committee Compensation Process Committee, and the deployment of an electronic voting tool to facilitate annual partnership voting.

The Firm's risk-control environment is also strengthened by a private ownership structure that comprises employee-partners. We believe that this creates a clear alignment of interest with our clients and strengthens the firm's control environment.

Executive Committee

Brent W. Gledhill, partner, serves as president and CEO of William Blair and leads the Firm's executive committee. The executive committee is comprised of William Blair's senior leadership, and the Firm's strategic business decisions are made by the executive committee. Stephanie Braming, CFA, partner, and global head of investment management, serves as a member of the executive committee.

Activities of William Blair Investment Management are supervised by Ms. Braming, together with members of a dedicated leadership team, with ultimate oversight by William Blair's executive committee. The following summarizes key governance groups responsible for stewardship and sustainability assurances in William Blair Investment Management.

Extended Leadership Group

William Blair's Extended Leadership Group ("ELG") is a group of 39 leaders representing different departments and geographies. The group, meeting monthly, works together to provide insight on our business and its objectives, share perspective and ideas from different markets, create alignment on important operational and tactical topics, and share appropriate information to the broader firm.

WBIM Leadership Team

William Blair Investment Management's leadership team consists of 12 senior group leaders across business areas and includes heads of U.S. equity, global equity, emerging markets debt, North America distribution, international distribution, human capital, strategy, finance, product management, operations, and business and technology

solutions. William Blair Investment Management's leadership team determines WBIM's strategic focus, oversees budget and expense management, and ensures appropriate communication with liaisons from information technology, legal and compliance, finance, and human resources, to maintain best practices.

Risk Oversight Committee

William Blair Investment Management's risk oversight committee follows an enterprise risk committee structure and serves as the formal governance mechanism through which the identification, management, and mitigation of WBIM's risk exposure is undertaken. The enterprise risk committee structure also reinforces the "tone at the top" through the active participation and engagement of senior leadership. The risk oversight committee is WBIM's senior-most risk oversight governing body and is supported by specialized risk working groups that analyze risks in their area of specialization and provide feedback and recommendations to the risk management team and the risk oversight committee.

WBIM Leadership Team

Blake Pontius, CFA, and director of sustainable investing at William Blair Investment Management, coordinates the firm's integration of ESG factors in its investment processes and provides ESG research support to the global equity team. Blake leads WBIM's ESG leadership team, which is responsible for developing WBIM's ESG investment standards, including stewardship policies and practices, and coordinating the flow of information to key decision makers on the investment teams. This includes oversight from William Blair's global head of investment management, Stephanie Braming. Our ESG leadership team meets formally on a monthly basis to prioritize and review progress on key ESG initiatives for WBIM.

WBIM Risk Working Group

In 2021, William Blair Investment Management formed an ESG risk working group. It is a standing working group (sub-committee) of William Blair Investment Management's risk oversight committee, and oversees processes used to identify, evaluate, and manage ESG risks. The ESG risk working group reports to William Blair Investment Management's risk oversight committee for

Principle 2: Governance, Resources, and Incentives (continued)

EXHIBIT 4

Strategic Oversight



Stephanie Braming, CFA
Partner, Global Head of Investment Management
(Chicago)

- Director of sustainable investing and ESG leadership team lead integration and thought leadership efforts, and develop broader standards for the firm
- Members represent the investment teams and serve as fully-embedded subject matter experts on ESG issues



Nicole Sarby²
Stewardship Specialist
(Chicago)



Blake Pontius, CFA^{1,2}
Director of Sustainable Investing
(Chicago)



Yang Wang
ESG Data Specialist
(Chicago)

ESG Leadership Team



David Fording, CFA
Partner, Portfolio Manager
U.S. Growth and Core Equity Team
(Chicago)



Romina Graiver
Partner,
Portfolio Specialist
Global Equity Team
(London)



Yvette Babb
Portfolio Manager
Emerging Markets
Debt Team
(The Hague)



Shivani Patel
Research Analyst
U.S. Growth and Core
Equity Team
(Chicago)



Rita Spitz, CFA
Partner,
Research Analyst
Global Equity Team
(Chicago)



Luis Olguin, CFA
Portfolio Manager
Emerging Markets
Debt Team
(London)



Tara Patock, CFA
Partner,
Portfolio Specialist
U.S. Growth and Core
Equity Team
(Chicago)



Gregg Czanecki
Portfolio Specialist
U.S. Value Equity Team
(Baltimore)



Alexandra Symeonidi, CFA
Credit Analyst
Emerging Markets
Debt Team
(London)



Gustav Kulle
Senior Product
Manager
(London)

¹ Head of the ESG Leadership Team

² Member of the Proxy Committee

Source: William Blair, as of December 31, 2022.

Principle 2: Governance, Resources, and Incentives (continued)

all ESG risk-related issues. In addition, it provides support to the ESG leadership team by providing the team with risk-related information and recommendations.

The ESG risk working group consists of 13 members appointed by the global head of investment management. It is composed of ESG, investment, legal, compliance, risk, and sales and client service professionals. It meets at least quarterly and is responsible for monitoring internal ESG risk key performance indicators (KPIs).

Proxy Committee

William Blair Investment Management's proxy committee consists of individuals from the legal, operations, ESG, and investment teams, including portfolio managers and analysts. The proxy committee reviews the proxy voting policy and procedures annually and revises its guidelines as events warrant. The proxy committee is also responsible for identifying and addressing conflicts of interest relating to voting recommendations.

Portfolio managers and analysts covering specific companies are responsible for monitoring significant corporate developments, including proxy proposals submitted to shareholders and notifying the Proxy Committee of circumstances where the interests of WBIM's clients may warrant a vote contrary to the Voting Guidelines. In such instances, the portfolio manager or analyst will submit a written rationale to the Proxy Committee. In each case, the Proxy Committee will review the issues and will vote each proxy based on information from the company, our internal analysts, and third-party research sources, in the best interests of the clients in their capacity as shareholders of a company.

Prioritizing Diversity, Equity, and Inclusion

William Blair's mission is to create a workplace where inclusion is at the heart of business and culture. We focus on building an inclusive, high-performing culture by seeking and retaining talented individuals who embrace and nurture diversity, helping all to thrive.

To realize our vision of an inclusive workplace and culture that attracts and retains the world's best talent, we established formal leadership to guide our priorities, strategy, and accountability across the business. In 2022,

William Blair hired a CHRO, Amber Kennelly, who is responsible for implementing our inclusion and diversity strategy and related human resource priorities. Our CHRO works with executive leadership to ensure that our inclusion strategies are aligned with our overall business and talent strategies, as well as the firm's mission, vision, and values. This includes measuring progress on our path toward greater diversity.

In addition, we engage the Firm's Alliance Board, a group comprised of the co-chairs from each of our business alliances, who serve as ambassadors to enhance employee engagement, provide insights, and drive change to create a more inclusive culture. William Blair's alliances include Women's Alliance, Veterans' Alliance, One Alliance, and Pride Alliance.

William Blair works with several diverse organizations such as Talent Tap, TOIGO, Girls Who Invest, MLT, ROMBA (Reaching Out MBA), Out in Finance, 100 Women in Finance, Daniel Murphy Scholarship Program, and Greenwood Project. In 2022, we launched the Asset Management Diversity Accelerator (AMDA) program in collaboration with Legal & General Investment Management (Americas) and Allstate Investments. The goal of this program is to attract diverse liberal arts university graduates to the investment industry through a 24-month rotational program across our three firms. In addition, the program will strive to break the recruiting mold and bring in a variety of skills, backgrounds, thoughts, and perspectives to achieve the best business results. We believe the program will generate a renewed pipeline of high-caliber talent and increase the number of women and racially and ethnically diverse colleagues.

For the second straight year, William Blair earned a perfect score of 100 on the 2022 Corporate Equality Index (CEI). This is a national benchmark survey and report that measures corporate policies and practices related to LGBTQ+ workplace equality and is released by the Human Rights Campaign Foundation. The Human Rights Campaign Foundation is the educational arm of America's largest civil rights organization working to achieve equality for LGBTQ+ people. CEI ratings are based on nondiscrimination policies across business entities, equitable benefits for LGBTQ+ workers and their families,

Principle 2: Governance, Resources, and Incentives (continued)

support of an inclusive culture, and corporate social responsibility.

Further information on our activities to create a more diverse, equitable, and inclusive organization can be found in the [Diversity, Equity, and Inclusion](#) section of our website.

Promoting Stewardship Through Education and Training

We believe that continuous learning is essential to deepening our knowledge of ESG issues and applying that to our investment analysis and stewardship activity. The ESG leadership team is responsible for directing education and training initiatives for investment professionals, including portfolio managers and analysts. Active ownership, including engagement and voting, is a core element of our continuous learning effort.

Our ongoing training and education initiative includes firm-supported self-study programs such as the PRI Academy's Applied Responsible Investment course, the SASB FSA credential, and the CFA Institute Certificate in ESG Investing. These programs were selected by the ESG leadership team because they emphasize practical applications of ESG integration and stewardship to help inform our approach. We have also developed a dedicated ESG learning module on William Blair Investment Management's online learning portal, MyPath. This includes a broad range of ESG-focused educational content from the PRI, the IFRS Sustainability Alliance, and the CFA Institute, in addition to a curated list of sustainability-oriented podcasts and conference videos.

Education and training also consist of virtual and in-person meetings with internal sustainability experts and external experts from a variety of sources, including industry networks, consultants, and academia, as well as sustainability-focused conference attendance. These have included sessions on climate change risks and opportunities (led by Project Drawdown, Energy Transition Advisors, Carbon4, London Stock Exchange Group, and NextEra Energy), the PRI signatories' commitment and corporate sustainability leadership (led by the PRI and Thule), corporate governance and engagement (led by Investor Stewardship Group), executive compensation trends (led by Institutional

Shareholder Services), and impact-oriented investment themes (led by Credit Suisse).

Resources

Stewardship Resources

ESG integration and stewardship is performed by our dedicated investment professionals as opposed to separate sustainability teams. As described in Principle 6, our investment teams are comprised of dedicated portfolio managers and analysts. While portfolio managers and analysts have more than 24 and 17 years of average industry experience, respectively, William Blair Investment Management actively promotes ongoing learning opportunities for its professionals, including ESG and sustainability-related training and certificate programs as described above.

Our global equity and U.S. equity investment teams are responsible for integrating ESG factors alongside traditional financial metrics in their fundamental analysis. We strongly believe that ESG analysis is a key component of robust company analysis; as a result, our investment analysts incorporate these issues in their research process. We believe this structure encourages a more holistic analysis of the company, assists us in engaging management if necessary, and ensures accountability.

Our investment teams are supported in their research efforts by two dedicated sustainability research analysts –our U.S. sustainability analyst and global sustainability analyst. These individuals work directly with our fundamental research analysts across all market caps and sectors in supporting our ESG integration and engagement efforts. Our fundamental sector analysts maintain primary responsibility for ESG analyses of their companies and assigning ESG ratings.

Shivani Patel is a sustainability analyst on William Blair Investment Management's U.S. growth and core equity team. In coordination with our other analysts, Shivani focuses on sustainability research and ESG engagement efforts across sectors and market capitalizations. Additionally, she supports our U.S. Equity Sustainability strategy. Shivani is also a member of the ESG leadership team for William Blair Investment Management. Before

Principle 2: Governance, Resources, and Incentives (continued)

joining William Blair, Shivani was an associate director of responsible investing at RBC Global Asset Management, where she worked on developing the U.S. ESG strategy and served as an ESG subject matter expert. Before that, she was an associate in RBC's leadership development program. Shivani started her career focused on corporate strategy in the European media industry. She received a B.S. in psychology from McGill University and an M.B.A., concentrated in finance, from the University of Toronto's Rotman School of Management.

Rita Spitz, CFA, partner, is a global equity research analyst focusing on ESG integration. She is on the ESG/ Impact Investing Working Group. Previously, Rita was a research analyst covering U.S. and global consumer stocks across the range of market capitalizations. She served as director of research from 2001 to 2008. Rita joined William Blair in 1986 as a sell-side research analyst covering advertising and marketing firms, a role she held for 13 years. She is a member of the CFA Society Chicago, the CFA Institute, and The Economic Club of Chicago. She has also served on the advisory groups of the Financial Accounting Standards Board. Rita is a trustee of The Joffrey Ballet. She received a B.B.A. in finance and Spanish from the University of Wisconsin–Madison and an M.B.A. from the University of Chicago's Booth School of Business.

Our investment teams also collaborate with our ESG stewardship specialist on addressing material ESG risks and opportunities across our investments via stewardship activities. This is a new dedicated ESG-focused role to advance our ESG integration and active ownership practices through effective company engagement and proxy voting.

Nicole Sarby is our ESG stewardship specialist, focusing on ESG integration within William Blair Investment Management. In this role, she works on proxy voting activities and partners with the investment teams on their ESG efforts. Nicole oversees the WBIM's proxy process and also works with our investment teams on identifying, preparing for, and participating in ESG engagements. Her role is key in helping to connect engagement activity with how we then vote proxies. Before joining the firm in 2022, Nicole was an ESG research analyst at AllianceBernstein; she also worked for the firm's private

wealth management business, earlier in her career. Nicole received a B.B.A. in international business from Loyola University Maryland.

An additional resource supporting our investment teams is our ESG data specialist. They are responsible for leading WBIM's data-focused projects that further ESG integration. We have several ongoing data initiatives, including incorporating new ESG data sources to provide additional input for company analysis and building new ESG data dashboards for our investment teams to improve ESG workflow.

Yang Wang is an ESG data specialist for William Blair Investment Management. Based in the firm's London office, he focuses on elevating William Blair Investment Management's ESG data capacities and integration practices in coordination with analysts and portfolio managers. Yang also supports both equity and fixed-income ESG data initiatives by using both traditional and alternative data sets, including MSCI, Carbon4, and news sentiment data. In addition, he applies the latest analytical techniques to translate ESG data into actionable investment insights. Before joining William Blair, Yang worked as a data scientist and analyst in different financial institutions, including Lloyds Banking Group, Jupiter Asset Management, Janus Henderson Investors, and BNP Paribas, leading their ESG and data initiatives from data source due diligence and alpha signal detection to investment strategy integration. Yang holds a CFA certificate in ESG investing. He received an M.Phil. in technology policy (analytics) from the University of Cambridge and an M.Sc. in environment and development projects (ESG) from the University of Manchester.

Blake Pontius, CFA, is director of sustainable investing at William Blair Investment Management. In this role, he coordinates WBIM's integration of environmental, social, and governance (ESG) factors in its investment processes and provides ESG research support to the global equity team. Blake also leads WBIM's ESG leadership team. Previously, he was a global portfolio specialist and institutional client relationship manager. Before joining William Blair in 2005, Blake worked at UBS Asset Management and Mercer. He is a board member of Easterseals DuPage & Fox Valley; a member of the CFA Institute; and a member

Principle 2: Governance, Resources, and Incentives (continued)

and board member of CFA Society Chicago. In addition, Blake holds the SASB Fundamentals of Sustainability Accounting (FSA) credential and the CFA Certificate in ESG Investing. He received a B.A. in economics, with honors, from Michigan State University and an M.B.A. in finance, with distinction, from DePaul University.

William Blair Investment Management also has portfolio specialists who sit on the firm's ESG leadership team. They play an important role in discussing our ESG approach with clients and making sure that we are incorporating strong client feedback into our ESG strategy setting.

Romina Graiver, partner, is a portfolio specialist for William Blair's global equity strategies in our London office. In this role, she participates in the team's decision-making meetings, conducts portfolio analysis, and is responsible for communicating portfolio structure and outlook to clients, consultants, and prospects. She is a member of the ESG leadership team for William Blair Investment Management. Previously at William Blair, she was a senior client relationship manager. Before joining William Blair in 2012, Romina was deputy head

of the international equity investment team at BNP Paribas Investment Partners, where she was responsible for product development and investor communication. Before taking on that role, she was a product specialist for model-driven equity investments and a marketing manager. She holds the CFA UK Certificate in ESG Investing. Romina received a B.Sc. in international business and an M.Sc. in economics from the University of Pantheon-Sorbonne in Paris, France.

Tara Patock, CFA, partner, is a portfolio specialist for William Blair's U.S. growth and core equity strategies. She is also a member of the ESG leadership team for William Blair Investment Management. Before joining the firm in 2013, she was a consultant with Pavilion Advisory Group. Before joining Pavilion, she was a registered sales associate with Oppenheimer & Co. Tara is a member of the CFA Institute and the CFA Society Chicago. In addition, she holds the SASB Fundamentals of Sustainability Accounting (FSA) credential. Tara received a B.B.A., summa cum laude, in economics and finance from Loyola University Chicago and an M.B.A., with honors, from the University of Chicago's Booth School of Business.

EXHIBIT 5

External ESG Resources / Service Providers

ESG Resources	Service Providers
Ratings/Screening Metrics	Resources for business involvement, ESG ratings based on practices and disclosures, metrics (e.g., carbon metrics). Providers include MSCI Research, Bloomberg, Impact Cubed, and Carbon4.
Sell-Side Research	Research from large and small brokers and investment banks. Providers include Morgan Stanley, Goldman Sachs, UBS, JP Morgan, Bank of America Merrill Lynch, Kepler Cheuvreux, Credit Suisse, Citi, and Jeffries.
Proxy Research and Voting	Proxy research and sustainability voting guidelines. Provider is Institutional Shareholder Services, Inc. (ISS).
Industry/Topic Research	Specialized research from third-party research providers. Providers include Yale Environmental Performance Indicator and Notre Dame Global Adaptation Initiative and nongovernmental organizations (NGOs) such as Social Progress Imperative.
Intergovernmental Organizations	Sovereign and international economic and market research. Providers include the International Monetary Fund and the World Bank.
Industry Associations	Engagement and support of sustainability and governance topics. Providers include the PRI, the IFRS Foundation, the EMIA, the International Corporate Governance Network, the Investor Stewardship Group, and the CFA Institute.

Source: William Blair, as of December 31, 2022.

Principle 2: Governance, Resources, and Incentives (continued)



ESG Data and Research Service Providers

ESG insights are primarily informed by William Blair Investment Management’s proprietary research, including issuer meetings and data aggregation from multiple internal and external resources. As described under Principle 1, our assessment of potential ESG risks and opportunities for different industries and companies is supported by a proprietary materiality framework that was developed internally by the investment teams, with input from the SASB and sustainable investment research providers. Building on this framework, we developed a proprietary qualitative ratings system that is fully aligned with our views on the ESG factors that affect company performance by industry. Third-party research inputs supplement our own proprietary research and are used to complement, but are not intended to replace, our own research.

William Blair Investment Management uses a variety of research providers and other third-party resources

to aid in our ESG risk analysis and research, including MSCI Research, Institutional Shareholder Services, and Impact Cubed, as well as other sell-side research and sustainability-focused investment research providers. We routinely monitor the research vendor landscape for additional ESG research inputs, and we also continually seek expanded universe coverage and data quality improvement from our existing research providers, as described under Principle 8. We also rely on industry associations with prominent sustainability efforts, such as the PRI, the Value Reporting Foundation, the Emerging Market Investors Alliance (EMIA), the International Corporate Governance Network, the Investor Stewardship Group, and the CFA Institute.

WBIM, in its capacity as a registered investment adviser, has a fiduciary duty to clients. As a fiduciary, we have an obligation to conduct reasonable initial and on-going due diligence about outsourced service providers. An investment adviser remains legally obligated to comply

Principle 2: Governance, Resources, and Incentives (continued)

with all regulatory requirements applicable to its business and services regardless of whether those functions are performed internally or outsourced. Hence, the firm will undertake reasonable diligence, which will vary depending upon the circumstances and risks presented, designed to ascertain whether third parties primarily engaged to provide services to our clients operate in a manner consistent with the firm's expectations in light of its duty to its clients.

Prior to outsourcing any function, we perform due diligence on the proposed service provider. Senior operations staff is responsible for ongoing monitoring of service providers applicable to their job functions. Oversight of key service providers also is conducted on at least an annual basis in connection with the annual compliance review. The firm performs periodic due diligence on service providers. Reviews may include due diligence questionnaires, inspection of independent audits (e.g., SOC reports), and virtual or on-site visits.

Incentives

The compensation of William Blair's professionals is based on the firm's mission: empower colleagues, deliver client success, and engage in our communities. Compensation for both employees and partners is based on performance and market value, determined by role, the individual's contribution to revenue, profitability, long-term investment performance, intellectual capital, risk management, and brand reputation. In addition, partners of William Blair share in the firm's profits. Compensation decisions are also in some cases subject to country-specific remuneration policies.

Each year we internally review our compensation framework and go through a comprehensive external benchmarking exercise using independent compensation consulting experts and independent published survey information to ensure that our pay levels, including mix of pay between fixed salary and variable compensation, are competitive in our local market and our competition for talent.

ESG integration and stewardship activities are not explicit criteria in our compensation framework for individuals without dedicated ESG roles. As we continue to evolve our approach to ESG integration and stewardship, we intend to review our compensation framework to ensure that it continues to align with the firm's mission.

Looking Forward

As William Blair Investment Management continues its stewardship journey, we will continue to evaluate our governance practices, resources, and incentives.

Principle 3: Conflicts of Interest

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

In the course of its business, William Blair Investment Management recognizes that conflicts can arise and may find occasions where there exists: 1) conflicts of interest between William Blair Investment Management and clients; 2) conflicts of interest between clients or groups of clients; or 3) conflicts of interest between William Blair Investment Management employees and the interests of William Blair Investment Management or the interests of clients.

William Blair Investment Management maintains a *conflicts of interest policy* that identifies actual and potential conflicts and describes the steps we take to mitigate and manage these conflicts.

The firm is committed to maintaining the highest professional standards and principles in providing services to its clients. The interests of clients must always come first, and William Blair's policies and procedures, which address and manage conflicts of interest as they may arise, are intended to ensure that those interests are well served.

Identifying and Managing Conflicts of Interest

William Blair seeks to ensure that it is able to appropriately and effectively identify and manage potential and actual conflicts. It may manage conflicts through avoidance, establishing information barriers or acting with an appropriate level of independence, and/or by providing appropriate disclosure of the conflict to affected clients.

In determining whether there is, or may be, a conflict of interest to which the conflicts of interest policy applies, William Blair Investment Management considers whether there is a material risk of damage to the client, taking into account whether William Blair Investment Management or a William Blair Investment Management employee:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;

- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- has a financial or other incentive to favor the interest of another client or group of clients over the interests of the client;
- carries on the same business as the client;
- and/or receives or will receive from a person other than the client, an inducement in relation to a service provided to the client in the form of monies, goods or services, other than the standard commission or fee for that service.

Senior management is responsible for overseeing the identification, documentation, escalation, and management of all conflicts of interest as they arise in their relevant areas of responsibility. Members of senior management are required to:

- promote an appropriate culture which emphasizes the importance of fair treatment of clients and the fair handling of conflicts of interest;
- be engaged in the implementation of policies, procedures, and arrangements for the identification, documentation, escalation, management, and ongoing monitoring of conflicts of interest;
- be engaged in the clear communication of policies, procedures, and expectations and the sharing of best practice throughout William Blair;
- raise awareness and promote adherence of employees in completing regular training;
- and use management information to maintain effective controls and remain sufficiently up to date and informed.

Examples of Conflicts of Interest

Exhibit 6 shows some examples of conflicts of interest identified by the compliance department and senior management that can arise in William Blair Investment Management's business as well as a summary of mitigating controls.

Principle 3: Conflicts of Interest (continued)

EXHIBIT 6

Conflict of Interest Examples

Conflict	Mitigating Controls
Side-by-side investment of multiple portfolios	We manage accounts according to strategy-based model portfolios and account-specific guidelines and maintain trade order allocation and trade aggregation policies and procedures. Compliance with guidelines is monitored systematically and overseen by the compliance department.
Recommending securities, including funds, in which we have a financial interest	We employ technological trading and compliance tools to monitor activities to ensure investments are consistent with client guidelines, and we disclose conflicts that can occur when recommending or selecting securities for clients' portfolios in writing to clients.
Permitting employees to buy or sell securities that we have recommended to clients for their own personal accounts	We require preclearance and reporting of personal securities transactions, which are reviewed by the compliance department, and we restrict employees from transacting in the same securities recommended to clients until all trades are completed for clients.
Selecting broker-dealers not based solely on lowest cost	We maintain a list of approved brokers that we review at least annually, and our brokerage committee, which consists of senior professionals across the firm, periodically reviews commission rates, trade execution and settlement services as well as related disclosures to clients.
Allocating limited investment opportunities among portfolios of multiple investment strategies	We maintain an established methodology to allocate investment opportunities on a fair and equitable basis. In some cases of limited opportunities, we will give allocation preference based on strategy. For example, an emerging markets equity strategy might be given an allocation ahead of a strategy that invests in securities across all market capitalizations and markets. Allocation exceptions must be approved by the head trader and the chief compliance officer.
Permitting outside business activities by employees	We require any employee who wishes to engage in an outside business activity to receive supervisory approval before submitting a written request to the compliance department, which evaluates the activity for any potential or actual conflicts of interest to determine whether it will be permitted by the firm.
Voting proxies for companies that conduct business with one of our affiliates conduct business with one of our affiliates	We have established a proxy committee to govern proxy voting activities, and in the event that any conflicts of interest arise in the firm's voting of proxies, we will vote according to our predetermined procedures and guidelines. William Blair Investment Management personnel also periodically sample vote records to affirm that voting is consistent with our policy and guidelines.
Permitting gifts and entertainment	We prohibit employees from receiving gifts above a de minimis value and permit entertainment provided that it has a specific business purpose and is neither lavish nor too frequent. We require that gifts and entertainment be disclosed in our code of ethics monitoring tool, and activities are reviewed by senior management and monitored by the compliance department.

Source: William Blair, as of December 31, 2022.

Principle 3: Conflicts of Interest (continued)

EXHIBIT 7

Case Study: Conflicts of Interest—Proxy Voting

Scenario	William Blair Investment Management's third-party proxy research provider recommended a vote AGAINST management for XYZ Company regarding the election of directors. A William Blair Investment Management research analyst submitted a proposal to change the vote to FOR based on her research on XYZ Company.
Analysis	Prior to calling a meeting of the proxy committee, the proxy analyst contacted the compliance department, which performed a conflicts checks analysis to determine if: 1) an affiliate of William Blair Investment Management has received investment banking compensation from XYZ Company in the preceding 12 months or anticipates receiving investment banking compensation in the next three months; 2) a partner or employee of William Blair Investment Management or an affiliate currently serves on XYZ Company's board of directors; 3) William Blair Investment Management, its partners, employees, and affiliates, in aggregate, own 1% or more of XYZ Company's outstanding shares; or 4) XYZ Company is a client of William Blair Investment Management.
Outcome	The compliance department determined that XYZ Company was a current investment banking client of an affiliate, William Blair & Company, which was advising XYZ Company on a confidential transaction. The compliance department notified the proxy analyst of the existence of an undisclosed conflict. William Blair Investment Management did not change its vote and voted in accordance with its predetermined proxy voting guidelines.

Source: William Blair, as of December 31, 2022.

Principle 3: Conflicts of Interest (continued)

Description of Mitigating Controls

William Blair Investment Management has implemented robust controls designed to mitigate and manage conflicts that cannot be avoided. These controls include, but are not limited to, the following:

- **Code of business conduct.** We maintain a *code of business conduct* that outlines the rules to which we hold ourselves accountable. We must remain steadfastly focused on our clients' goals and outcomes while adhering to the letter and spirit of the laws governing our industry. Our employees are required to adhere to this code in every business relationship and the monitoring of this is included in our daily controls.
- **Code of ethics.** As a fiduciary and an investment adviser, we maintain a code of ethics that reminds our employees of general principles including: 1) their duty at all times to place the interests of clients first; 2) the requirement to conduct personal securities transactions in such a manner as to seek to avoid actual or potential conflicts of interest; 3) their responsibility not to take inappropriate advantage of their position; and 4) their duty to hold all information concerning the identity of security holdings and financial circumstances of clients as confidential.
- **Policies and procedures.** We maintain written compliance policies and procedures specific to the various conflicts that can arise and the processes designed to mitigate them.
- **Employee training.** We train employees upon hire, and at least annually thereafter, regarding their duty to put client interests first and to ensure that they recognize conflicts of interest and understand their reporting responsibilities.
- **Conflicts reporting.** We require employees to report all potential and actual conflicts to the compliance department.
- **Employee certifications.** We require employees to certify on a quarterly basis that they have complied with firm policies and have reported all activities that can give rise to conflicts (for example, personal account dealing, gifts and entertainment, outside business activities, private investments, personal relationships at private or public companies, and political contributions).
- **Disclosure to clients.** We provide clients at the time of account opening, and annually thereafter, with our written disclosure document that describes actual and potential conflicts and how William Blair Investment Management seeks to mitigate them.
- **Information barriers.** We maintain technical and physical barriers between groups to prevent sharing of confidential, nonpublic information across William Blair entities and departments.
- **Segregation of duties.** We segregate relevant employee duties to ensure that we have an appropriate checks and balances system.
- **Oversight groups.** We have established governance committees consisting of senior management and other senior professionals across business areas, including our legal and compliance and risk management teams.

Ultimately, we will choose not to participate or accept a business opportunity in the event we determine that we cannot properly mitigate a given conflict.

Principle 4: Promoting Well-Functioning Markets

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Market-wide and systemic risk identification and management are incorporated into our investment processes across our investment teams. In our global equity team, William Blair Investment Management's economist, Olga Bitel, partner, assesses macroeconomic variables such as inflation, interest rates, and overall economic conditions to help portfolio managers and research analysts identify and respond to market risks impacting our portfolios. In addition, our research analysts conduct thematic research that highlights multisector risks and opportunities resulting from decarbonization, digitalization, and other macro trends.

In emerging markets debt, portfolio managers conduct a top-down analysis of global and regional market conditions and emerging markets fixed income sub-asset classes on a monthly basis using our top-down analytical framework. The framework consists of two pillars: global macro conditions and the fundamental backdrop, technical conditions, and valuations for emerging markets debt. The output of the process is a top-down score that reflects our views of the asset class and informs the allocation of the risk budget throughout the portfolios. The top-down component of the investment process helps portfolio managers to identify overall market conditions and risks and is focused on global fundamental, technical, and valuation drivers of global risk appetite.

Risk Management Is Integral to Our Investment Processes

William Blair Investment Management views risk management as integrated in the investment process. Investment risk controls start with the first line of defense, which are the reporting and risk processes implemented by the portfolio management team. The portfolio managers are responsible for the strategy level risk management.

The second line of defense further supports investment risk controls. In the second line of defense is the investment risk manager, who specifically focuses on investment risks. The investment risk manager will collaborate with the director of risk management, the investment risk working group, and the investment teams on identifying, aggregating, and monitoring investment-related risks across William Blair Investment Management. The investment risk manager is responsible for providing tools and models to assist investment teams in identifying, assessing, and managing their risks. The investment risk manager is also responsible for performing the independent assessment and oversight of investment risk across all investment teams, and for the oversight of liquidity risk management.

In the third line of defense, the internal audit team independently tests internal controls that are performed by the business, support, and control functions.

The risk committee structure is also designed to support investment risk controls. Specifically, the investment risk working group assesses major investment risk exposures being taken on behalf of our clients and the controls in place to monitor and manage such exposures. The risk oversight committee is the senior most risk committee and oversees processes used to identify, evaluate, and manage all categories of risk.

Principle 4: Promoting Well-Functioning Markets (continued)

The risk dashboard serves as the foundation for the risk reporting component of the WBIM risk framework. The web-based risk dashboard is designed to show information that is actionable and measurable. The risk dashboard presents KRIs across a wide range of business, investment, operational, and regulatory categories. Actual KRIs are compared with thresholds, and breaks are clearly highlighted. Risk measures that exceed thresholds are highlighted as red or yellow depending on the severity. One risk detail page is typically provided for each KRI, allowing the reader to drill down into each risk to analyze trends and status. The risk oversight committee and risk working groups are responsible for defining information displayed in the risk dashboard. These groups are also responsible for defining the dashboard thresholds. The risk dashboard is produced by the WBIM director of risk management with KRI data from multiple teams. The risk dashboard is provided to members of the risk oversight committee and risk working groups.

Market-Wide or Systemic Risks We Addressed in 2022

Following Russia's invasion of Ukraine in February 2022, we developed a framework for thinking about the economic impact of the conflict on the economies outside the direct conflict. Specifically, we assessed the impact at the intersection of two vectors: perceived duration of the conflict and severity of the sanctions. This led us to revise our global growth and inflation expectations, resulting in a more challenging outlook for corporate earnings and valuation multiples, which informed our investment strategy and portfolio positioning. We also reassessed the longer-term outlook for the energy sector, as the war is likely to materially increase efforts to find more sustainable energy sources and accelerate the development of more efficient and environmentally friendly transport.

Amid rising economic and political complexities in China and geopolitical tensions, WBIM's global equity team created the China Working Group in 2021 to stay abreast of developments and implications for investment decisions. The working group is a unique cross-section of the team, including employees with direct Chinese experience and Chinese nationals. In 2022, a primary focus for the group was the U.S. and Western allies' approach to isolating China. Looking at the industries we

invest in through a geopolitical lens, we were able to better understand the tools Western governments may deploy to slow China's growth as a global power.

The working group also spent significant time studying the China-Taiwan conflict risk, which we view as a low-probability but high-impact event. While we believe the risks are low in the near term, we've worked to identify and track key risk indicators. Through a game theory exercise, the group considered the winners and losers of a potential invasion from a regional sector perspective, which provided a rough roadmap for repositioning as that risk increases.

Embedding Climate Change Risks and Opportunities in Stewardship Activities

William Blair Investment Management has embedded climate-related risk and opportunity considerations in our ESG integration process, which has served to inform our engagement dialogue with companies and issuers. Consistent with Task Force on Climate-Related Financial Disclosure (TCFD) recommendations, we have sought to assess the two primary forms of climate risks that may impact our investments: transition risks and physical risks. Climate transition risks, which include market risks, reputational risks, legal risks, and technological risks, are increasingly impacting the ecosystem in which companies operate. Businesses that successfully adapt to these risks may potentially benefit from strengthened competitive positioning versus peers and lower costs of capital, giving us increased confidence in future growth, cash flows, and returns.

Physical risks from climate change may be acute (e.g., changes in the intensity or frequency of drought or heatwaves) or chronic (e.g., increase in average temperature or rising sea levels). Different issuers will have varying levels of exposure to physical risk depending on the nature of their businesses, real asset holdings, and locations of key assets.

For William Blair Investment Management's equity strategies, in addition to our industry materiality framework which embeds climate considerations, we have created a high-level sustainability categorization methodology to more explicitly identify companies with

Principle 4: Promoting Well-Functioning Markets (continued)

products or services that promote energy efficiency, decarbonization, or circularity, in addition to positive social outcomes. We have found that these environmental “enabler” designations that are applied by the research analysts in fundamental analysis and engagements have helped us better assess opportunities, including future revenue or profit growth potential that may be underappreciated by the market.

For William Blair Investment Management’s emerging markets debt strategies, the investment team has embedded ESG factors in its valuation tools and has relied on a multitude of inputs, including scores from its proprietary sovereign risk model, when choosing to invest in a country. In considering environmental factors, we have sought to capture vulnerability to physical and economic impacts of climate change and other natural disasters, energy transition risk, and energy security, as well as natural resource management.

Climate Considerations in Our Voting

As a complement to engagement, we have identified proxy voting as another tool for managing climate-related risks, providing leverage in company management discussions and opportunities to directly influence corporate policy. William Blair Investment Management has adopted sustainability-focused voting guidelines that generally support the following types of shareholder proposals:

- proposals seeking information about the impact of financial, physical, or regulatory risks related to climate change on a company’s operations and investments, or on how the company identifies, measures and manage such risks;
- proposals calling for the reduction of greenhouse gas (GHG) emissions;
- proposals seeking reports on responses to regulatory and public pressures surrounding climate change, and for the disclosure of research that aided in setting company policies around climate change;
- and proposals requesting a report/disclosure of goals on GHG emissions from company operations and/or products.

Evolving Our Approach to Climate Risk Integration

To enhance our integration of climate risk and related stewardship activities, we continue to enhance WBIM’s approach to climate change in 2022.

Reflecting on our progress to date and acknowledging the increasing adoption of net-zero pledges by governments and companies, we recognize that our investment teams can benefit from enhanced climate data and engagement guidance to inform their assessment of risks and opportunities. To that end, we have integrated new data sources and developed climate-focused engagement practice guides to support our assessments of climate disclosures, practices, and commitments.

Climate risk considerations are embedded in our ESG integration process. Our analysts evaluate climate-related issues as part of their research assessment, focusing on each company’s climate strategy to the extent they believe it is material, including the political and regulatory backdrop, potential environmental liabilities, and greenhouse-gas emissions. In 2022, the ESG analyst on our global team, Rita Spitz, CFA, partner, worked with analysts to engage companies on their implementation of climate strategies, including seven in-depth engagements on utilizing the TCFD’s framework.

By virtue of our focus on long-term performance, our process identifies investment opportunities in companies that are focusing on addressing climate issues, including investing in renewable energy and projects to support the low carbon transition. While these investment decisions are driven by individual company fundamentals and valuation opportunities and are not based exclusively on climate considerations, they are often supported by attractive climate-related thematic drivers. We subscribe to MSCI’s Carbon Portfolio Analytics tool, which measures portfolio carbon intensity versus market benchmarks.

To the extent that climate change is relevant to our assessment of current business trends and share price performance prospects, we will take it into account. Climate change related considerations will be evaluated by our analysts when performing fundamental due diligence. If climate change is a material risk or opportunity for the company, it will be highlighted during the company

Principle 4: Promoting Well-Functioning Markets (continued)

review and documented in the recommendation report. Final investment recommendations are based upon a holistic view of broad opportunities and risks.

Our primary sources for emissions data are MSCI and company disclosures. We subscribe to MSCI's carbon analytics data package, which provides portfolio level analysis of carbon emissions and emissions intensity versus benchmarks. We also utilize MSCI's business involvement research to identify companies with fossil fuel exposure including thermal coal-related revenues.

We have initiated a partnership with Paris-based consultancy Carbone 4 and its affiliate Carbon4 Finance to enhance our measurement of climate risks across different investment strategies.

In 2022, we released our TCFD-aligned report for William Blair Investment Management, which can be found on our [ESG Integration](#) webpage.



Principle 4: Promoting Well-Functioning Markets (continued)

Our investment professionals participate in industry conferences and sustainability-focused panel discussions. Most recently, in December 2022, Luis C. Olguin, CFA, a portfolio manager on our emerging markets debt team, was a panelist at the annual Edelman Smithfield Investor Summit 2022 in London, U.K., where he discussed the topic “How material is the S in ESG to valuations?” And in April 2022, Blake Pontius participated as a panelist in the first virtual session of the Unpacking ESG series. Hosted by Chicago Booth’s Rustandy Center for Social Sector Innovation and the George J. Stigler Center for the Study of the Economy and the State, a panel of academic and industry thought leaders discussed the current state of ESG investing.

In 2021, Blake joined the International Foundation of Employee Benefit Plans Annual Conference as a panelist in Denver, Colorado. Blake discussed ESG investing in retirement plans, addressing a broad range of topics, including guidance from the new U.S. administration on integrating ESG considerations within retirement plans as well as accelerating client interest in sustainable investing across different geographies. Also in 2021, Yvette Babb, a portfolio manager on our emerging markets debt team, spoke at the Grimaldi Sustainability & Impact Investor Forum in Monaco. Alongside leading asset managers and investors, Yvette participated in panel discussions answering questions about what investing for net zero looks like in developed and emerging markets.

We also support industry ESG initiatives through active participation on boards and working groups. For example, Stephanie Braming serves on the Investment Company Institute (ICI) board of governors. As a member of the ICI, William Blair Investment Management has participated in consultations related to the European Union’s sustainable finance agenda, including the Sustainable Finance Disclosure Regulation (SFDR). In addition, Yvette is a member of the PRI’s sovereign debt advisory committee. In this role, she has contributed her expertise to a workstream dedicated to the European Union (EU) taxonomy and the SFDR. Through this working group, fixed-income investors sought to engage with the European Securities and Markets Authority (ESMA) on the regulatory technical standards of the SFDR. In 2022, Blake Pontius joined the CFA Society of Chicago’s board

of directors and contributed his expertise on the CFA Institute’s ESG-related initiatives.

From an investment strategy perspective, we have expanded our capabilities to include focused sustainability strategies based on client demand. These include investment strategies that combine positive ESG screening, engagement, and exclusion criteria. Examples include our U.S. Equity Sustainability and Global Leaders Sustainability strategies.

In 2022, we seeded and incubated a public equities New Energy Opportunities strategy that focuses on investments in listed companies deemed to be enablers of the energy transition by offering products or services that promote decarbonization and/or energy efficiency. This strategy has not been commercialized.

Principle 5: Review and Assurance

Signatories review their policies, assure their processes, and assess the effectiveness of their activities.

Our internal leadership and senior management teams are actively involved in providing assurance over the effectiveness of our stewardship activities and outcomes.

As previously noted, the WBIM ESG leadership team is responsible for reviewing ESG investment standards and coordinating the flow of information to key decision makers on the investment teams. The WBIM ESG leadership team comprises investment professionals, including portfolio managers, analysts, and portfolio specialists, from different investment teams across the firm, including global equity, U.S. equity, and emerging markets debt. Executive level oversight of the WBIM ESG leadership team is provided by the global head of investment management.

Specific to voting, the proxy committee reviews the proxy voting policy and procedures annually and revises its guidelines as events warrant. The committee consists of representatives from the firm's investment and operations teams, as well as representatives from the compliance department. Members of the firm's operations team perform sampling reviews of proxy voting records to affirm that proxies were voted consistent with voting guidelines.

Public disclosures of our stewardship policies and activities require review and approval by the director of sustainable investing and the compliance department. This includes the annual UN PRI reporting and assessment process, which has been our primary means for measuring and communicating annual progress in our stewardship practices.

In 2021 and 2022, our review process led to several ongoing initiatives to improve our stewardship-related processes and ESG integration more broadly. These include:

- identifying and integrating new ESG data sources to provide additional input for engagement activity (e.g., climate data from Carbon4 Finance);
- building new ESG data dashboards for the equity and fixed-income teams to improve workflow related to ESG analysis and stewardship;

- partnering with Carbon4 to develop a TCFD-aligned framework and practices, including climate-related stewardship activities;
- partnering with the PRI to offer the Applied RI course to portfolio managers and analysts, reinforcing the role of active ownership in our investment process;
- hiring additional dedicated staff to support stewardship activities;
- partnering with the EMIA to collaborate with other investors on stewardship opportunities in the emerging markets debt universe;
- and initiating a research partnership with the University of Chicago to understand the relationship between ESG data and emerging markets sovereign debt spreads.

William Blair Investment Management introduced its ESG Risk Awareness report in 2021 and continued to make enhancements in 2022. This report is available to all members of the ESG risk working group and is sent to the director of risk management on a daily basis. The report is designed to assess strategies positioned as sustainable. The report measures actual values versus thresholds and clearly highlights values that are outside of thresholds. The metrics and thresholds were developed by the director of risk management under the guidance of the ESG risk working group.

ESG concepts have also been embedded in our risk identification processes. Risk identification is a forward-looking risk assessment process, where risks are generated bottom-up by those most familiar with the risks. Contributors to the risk inventory include individuals from a wide range of operational, technical, and business teams. Contributors enter risks into a centralized online risk repository. ESG is one of several risk categories in the risk inventory. Each risk is assigned to one, and only one, risk owner. The risk owner has ultimate ownership for addressing the risk. As the assigned resource for addressing the risk, the risk owner is responsible for determining the strategy for mitigating the risk. The risk owner is also responsible for leading the execution of the steps necessary for mitigating the risk. Identified risks

Principle 5: Review and Assurance (continued)



are aggregated, analyzed, and monitored by the director of risk management. An online reporting tool has been developed to present the risk inventory to the risk working groups and risk oversight committee. Over the years, the risk identification processes have been used to successfully mitigate and close numerous risks. Members of the ESG risk working group are currently tracking several ESG-related risks in the risk inventory.

Internal and External Assurances

From an overall assurance perspective, William Blair's internal audit team independently tests internal controls that are performed by the business, support, and control functions. The controls selected for testing each year are based on the internal audit plan. The internal audit team also provides recommendations to the business units on how to address any internal control findings. The internal audit team reports to William Blair's audit committee for audit-related matters. No material audit findings related to William Blair Investment Management were identified during 2022.

William Blair Investment Management's chief compliance officer, with the assistance of the compliance department, conducts an annual review and testing

of the compliance program at least annually to assess the adequacy of the policies and procedures and the effectiveness of their implementation by the firm. As part of its review, the team conducts an inventory of obligations under securities laws and general fiduciary duty principals, which includes potential conflicts of interest. No material deficiencies were identified as a result of the 2022 compliance program review.

William Blair Investment Management also solicits external assurances regarding its activities and practices from external independent sources. During 2022, William Blair Investment Management engaged external auditor, Grant Thornton LLP, to conduct a SSAE 18 SOC 1 review of the firm's operational control environment. This report is provided to our institutional segregated account clients upon request. The auditor identified no exceptions to William Blair Investment Management's operational controls for the 12-month period ended October 31, 2022.

William Blair Investment Management also engaged an external auditor, ACA Performance Services LLC, to perform an independent verification of its policies and procedures designed to comply with the Global Investment Performance Standards (GIPS®) and to verify its composite performance reports. Our composite performance and disclosures are routinely provided to prospective and current clients. The auditor's report issued in 2021 (for the annual period ended 2020) identified no exceptions.

WBIM personnel responsible for the administration of proxy voting shall periodically review a sample of votes recommended by the Proxy Administrator for consistency with the Voting Guidelines and report any inconsistencies to the Proxy Committee. The sample should include proxy votes that relate to proposals that may require more issuer-specific analysis (e.g., mergers and acquisitions, dissolutions, conversions, or consolidations) to assist in evaluating whether WBIM's voting determinations are consistent with its voting policies and procedures and in its clients' best interest.

The rationale for how we conduct assurances is that our approach is consistent with best practices and was put in place to verify that our stewardship efforts are being carried out in a manner that is in line with our standards.

Principle 6: Client and Beneficiary Needs

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

William Blair Investment Management is committed to building enduring relationships with our clients and providing expertise and solutions to meet their evolving needs. We work closely with private and public pension funds, insurance companies, endowments, foundations, and sovereign wealth funds, as well as financial advisors.

As of December 31, 2022, William Blair Investment Management manages £46.5 billion in assets on a global basis. We manage a wide range of strategies across vehicles, including segregated accounts, collective investment trusts, mutual funds, and Luxembourg-domiciled UCITS funds, and invest across developed, emerging, and frontier markets. Consistent with the goals and time horizons of our institutional client base, our investment time horizon is long-term oriented and focused on sustainable value creation.

We believe that delivering results for our clients requires taking a long-term view. As investors, we cannot control the macro environment or market returns. We have to execute our investment philosophy and adjust portfolios based upon fundamentals, with an eye to the environment. In the midst of market volatility and geopolitical uncertainty, our approach is to proactively engage with clients. Not only are we communicating what we're seeing and how their portfolios are positioned, but we're gaining an understanding about the opportunities and risks that they are facing in order to be strong partners for them.

As a private partnership, we have a long-term time horizon that naturally aligns with our institutional client base. Investment time horizons vary across our strategies and are consistent with investment objectives agreed with our clients. Broadly speaking, we invest with a long-term view (five years and beyond).



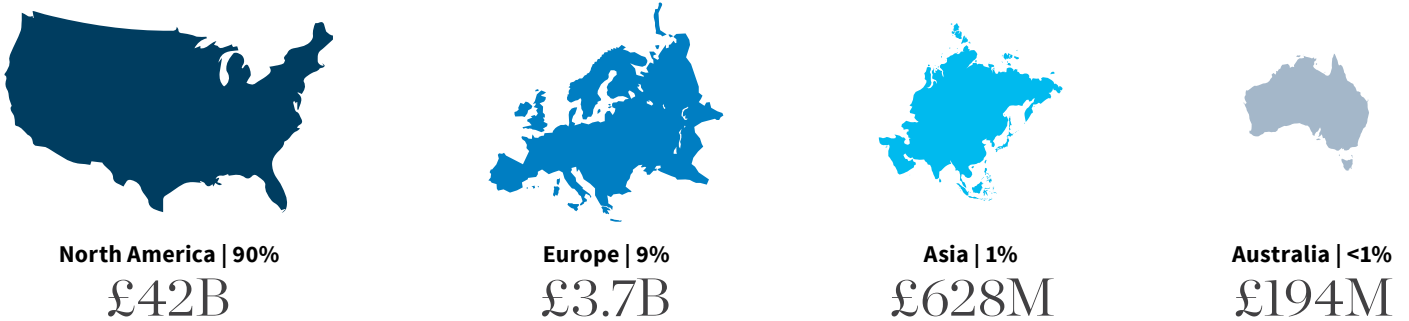
Principle 6: Client and Beneficiary Needs (continued)

EXHIBIT 8

William Blair AUM by Client Domicile

The below chart shows a breakdown of where WBIM clients are domiciled and their total assets. For example, 90% of WBIM's AUM is from clients who live in North America and have a combined £42 billion in assets.

£46.5B total client assets



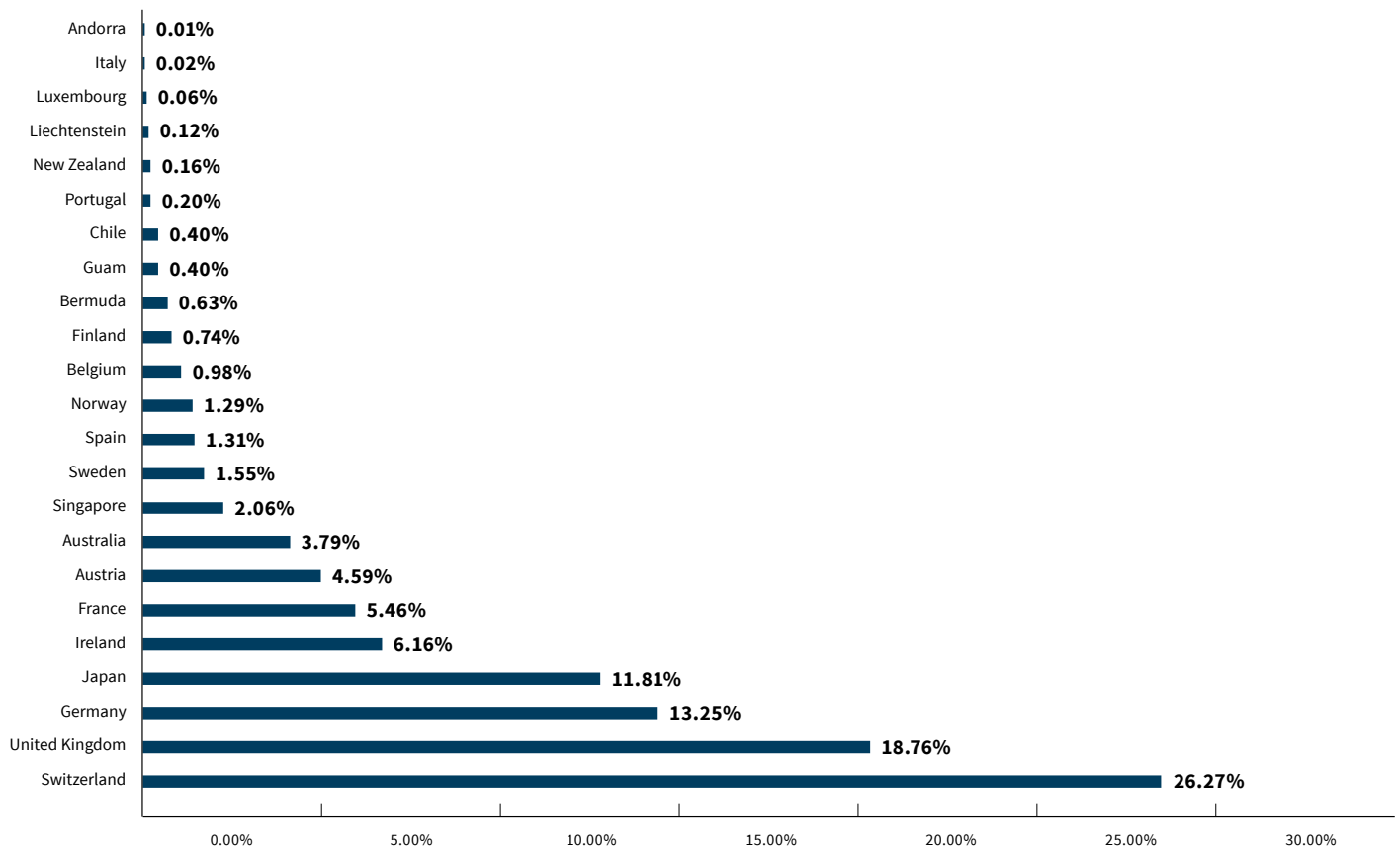
Source: William Blair, as of December 31, 2022. Assets shown in British pounds. Numbers may not sum due to rounding.

Principle 6: Client and Beneficiary Needs (continued)

EXHIBIT 9

% Global ex North America Client Assets by Domicile

The below chart shows a percentage breakdown of AUM outside of North America, by country, based on where clients are domiciled.



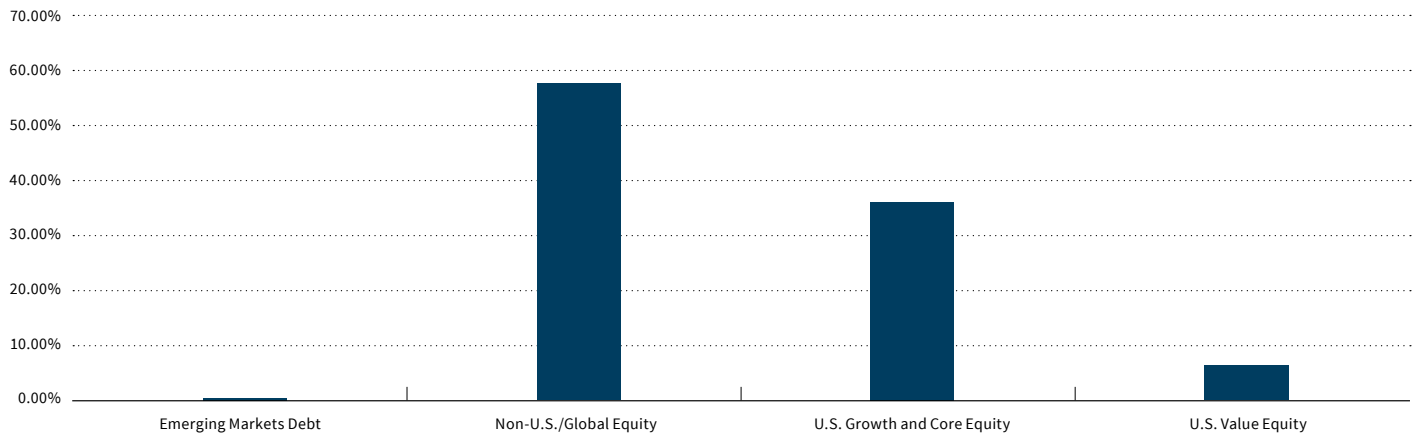
Source: William Blair, as of December 31, 2022. Assets shown in British pounds. Numbers may not sum due to rounding.

Principle 6: Client and Beneficiary Needs (continued)

EXHIBIT 10

AUM by Investment Teams

The below exhibit details WBIM's AUM distribution by investment team.



Source: William Blair, as of December 31, 2022.

EXHIBIT 11

WBIM Geographical Distribution of Investments

Country	Percentage AUM
United States	38.71%
India	7.43%
United Kingdom	7.29%
China	6.52%
Canada	4.49%
France	4.35%
Japan	2.91%
Taiwan	2.77%
Brazil	2.76%
Switzerland	2.45%
Sweden	1.92%
Denmark	1.71%
Indonesia	1.58%
Mexico	1.27%
Netherlands	1.08%
Germany	1.04%
Hong Kong	1.00%
Other ¹	10.72%
Grand Total	100.00%

¹ Countries with AUM <1%.

Aggregate country exposure across WBIM strategies.

Source: William Blair, as of 12/31/2022.

Principle 6: Client and Beneficiary Needs (continued)

Assessing Long-Term Value for Clients

William Blair is committed to client success, and who we are as a firm informs how we invest on behalf of our clients. We believe in long-term relationships and invest significant time and energy into providing personal, high-quality service for our clients and understanding their goals and objectives. We think this alignment is critical to our success as stewards of our clients' assets and as long-term investors.

Our philosophy has always been to serve our clients' interests first and foremost. With that foundation, our firm has a history of maintaining long-term client relationships.

We believe that our client service effectiveness is demonstrated by the number of long tenured relationships and clients that invest in multiple strategies, as depicted in Exhibit 10. Approximately one-half of our clients have been with our firm for over 10 years with our longest-tenured client having been with us for 39 years.

Our clients engage with William Blair Investment Management to help achieve their investment goals. As an active investment manager, we seek to produce superior investment returns while managing risk appropriately and believe that our performance record reflects the value we add for clients.

EXHIBIT 12

Long-Tenured Institutional Client Relationships



AVERAGE CLIENT TENURE

8 years

CLIENTS OVER 5 YEARS

Percentage of Total AUM

71%

CLIENTS OVER 10 YEARS

Percentage of Total AUM

48%

LONGEST TENURED CLIENT

39
years

CLIENTS WITH MULTIPLE MANDATES

Percentage of Total AUM

33%

Source: William Blair, as of December 31, 2022.

Principle 6: Client and Beneficiary Needs (continued)

Communication with Clients

We view ourselves as strategic partners in helping our clients attain their goals. We believe effective communication is a key component of the firm's client-service focus, and we prioritize regular communication and meetings with clients. When we do not have the opportunity to engage directly with clients, we use other means to ensure that our clients are kept informed on current market conditions and the progress of their investments. Monthly market reports outline the current investment environment for the benefit of clients and allow the company to explain the reasoning behind its investment decisions. Regular thought leadership in the form of white papers, webinars, videos, and a blog allow the investment team to share its unique perspective, ensuring that investors have a clear understanding of current market trends and resulting portfolio positioning. Our onboarding process with clients is extensive and thorough—we review and ensure compliance with all client guidelines and extensive due diligence is completed. Lastly, we also host our CONNECTIVITY client conference, in which we bring together various William Blair investment professionals and outside thought leaders to discuss a wide range of investment topics. We believe that our client conferences provide excellent opportunities to engage with our clients on relevant and timely topics. Replays of the sessions can be accessed via this [link](#).

In addition to regular contact with key investment professionals, we have worked with many of our clients to provide educational sessions to boards and other constituents. Also, our investment professionals regularly provide insights across assets classes, investment styles, and regions, in the form of white papers, videos, webcasts, and podcasts. This includes our Active Never Rests™ website, which provides clients and investors with insights on our enhanced approach to active management across our strategies. Please visit the website via this [link](#).

We have also launched The Active Share podcast, which explores less obvious investing insights through conversations with thought leaders, company executives, and our own analysts and portfolio managers. It is moderated by Hugo Scott-Gall, partner, portfolio manager for the global leaders and emerging markets leaders

strategies, and co-director of research for the global equity team. Please visit the podcast via this [link](#).

Understanding Client Requirements and Preferences

In addition to these important thought leadership initiatives, we routinely engage with our clients as partners, soliciting feedback on our services, ESG integration, and stewardship approach, including areas for improvement. We believe that this client engagement is key to successfully evolving our processes and building enduring partnerships.

Understanding our clients' investment objectives, including sustainability-related goals, is essential. We undertake significant due diligence on these at the inception of our relationships to make sure that we are addressing each client's unique requirements. Our relationship management team engages with clients on a recurring basis through a structured meeting program, which allows us to adapt our investment or servicing approaches to meet evolving objectives.

For example, we have partnered with multiple clients over the past few years to develop sustainability focused strategies, which have become an exciting new growth opportunity for William Blair Investment Management, building on our internal ESG analysis and ratings. Many clients have also communicated their need for ESG-focused reporting including carbon footprint characteristics, engagement, and voting detail. Based on client feedback, we have developed quarterly reports communicating our key ESG initiatives, portfolio characteristics, and stewardship activity.

Our quarterly reporting package was launched during the first quarter of 2021. The report includes items such as ESG-related portfolio characteristics and updates on engagement and proxy voting activities. We are able to provide additional customized reporting as requested by clients. Examples of our quarterly ESG reporting content for our global equity team strategies, including portfolio engagement activity, climate risk data, and internal ESG ratings profiles, are provided in exhibits 13, 14, and 15.

Principle 6: Client and Beneficiary Needs (continued)

EXHIBIT 13

Sample Quarterly ESG Reporting (Engagement)

Engagement Summary

Global Equity Team

During the quarter the global team engaged with the following companies on ESG-related issues.

Company	Sector	Industry	Country	Strategies	Comment
Halma	IT	Electronic Equip, Instruments	UK	IG, IL, GL, GIC, GIS, ILC	We engaged with Halma's new Chairwoman on a variety of topics. A few key takeaways include the high level of transparency and accountability at Halma as well as the importance of human capital to the company's success. It was evident from the call that there is a high level of ongoing engagement and oversight between the board and management ensuring a consistent vision for the company. Following the meeting, our already high respect for Halma's model was only strengthened.
Locaweb Services	IT	Software & Svcs	Brazil	EMI, EMSCG, IGI, EMLI	As part of our ongoing ESG engagement with Locaweb, we recently participated in a content survey, following our most recent engagement. The goal is to help the company identify priorities ahead of the publication of its first ever Integrated Sustainability Report, expected later in 2022. The survey included identifying and prioritizing recommendations for Environment, Social and Governance materiality, based on the United Nations Sustainable Development Goals (SDGs) and Sustainability Accounting Standards Board (SASB) framework.
Baltic Classifieds Group	Comm Svcs	Media & Entertainment	Lithuania	EMSCG	Engagement with the COO to discuss business continuity initiatives including setup and implementation of the disaster recovery plan for the Lithuanian business, which involves a secondary data center in Warsaw, in addition to the primary location in Vilnius. We also discussed talent recruitment and retention efforts and outcomes, including low attrition and long tenures for employees, especially at the senior IT development level. The company notes that it continues to be a preferred employer of choice for many in the region, given the recognition and associated prestige of its brands across the Baltics.
Headhunter	Industrials	Commercial & Prof Svcs	Russia	EMI, EMSCG, ISCG	We engaged with HHR where we discussed how the company is working with a big 4 accounting company as well as undertaking a benchmarking exercise on its materiality and disclosures. The company plans to publish its first sustainability report later in 2022. We have offered to have ongoing engagements with the company as they continue to improve their ESG efforts and initiatives.
Rakus Co	IT	Software	Japan	ISCG, IGI	Discussion with the CEO and management team regarding ongoing initiatives and improvement. Our areas of focus were in part a discussion surrounding their materiality framework, we suggested adopting the UN SDG or SASB framework as a starting point. Additionally, Rakus discussed their plans of dedicating more resources to gather data surrounding its carbon neutrality targets, with the goal of being more explicit as it relates to their specific targeting goals.
Inari Amertron	IT	Electronic Equipment, Instruments & Components	Malaysia	EMSCG	We engaged with the management team to discuss ESG initiatives at the firm, which included conversation on carbon intensity, climate change targets, social commitment to employees and board governance. Specifically to the social commitment to employees, Inari has set initiatives around improving their diversity within its workforce. The company also has recently implemented career development and leadership training programs.
Leeno Industrial	IT	Semis	South Korea	EMG, EMSCG, EMeC	As Leeno is in the early stages of its ESG journey, we engaged with management on various topics around the improvement of corporate governance, specifically the addition of more independent and female directors, their initiatives of setting environmental and social goals, as well as improving the quality of their disclosures overtime. We plan to continue our engagement with the firm to track progress and assist management in achieving these sustainability goals.
Aristocrat Leisure	Consumer Disc	Hotels, Restaurants, Leisure	Australia	IL, IG, GL	Engagement with management to discuss their plan to build out a team to support the firm's broadening ESG efforts. This will include a climate subject matter expert as they view this to be increasingly material, as well as a London based responsible gaming lead for the video games business. Aristocrat Leisure recently refreshed its ESG materiality assessment, which has led to a greater focus on climate change mitigation. The company aims to be a leader in environmental stewardship relative to peers.

Quarter ended March 31, 2022.

Individual securities listed in this report are for informational purposes only to illustrate examples of engagement activities. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed. The above securities do not represent all of the securities purchased, sold, or recommended for all William Blair clients. It should not be assumed that any investment in the securities referenced was or will be profitable.

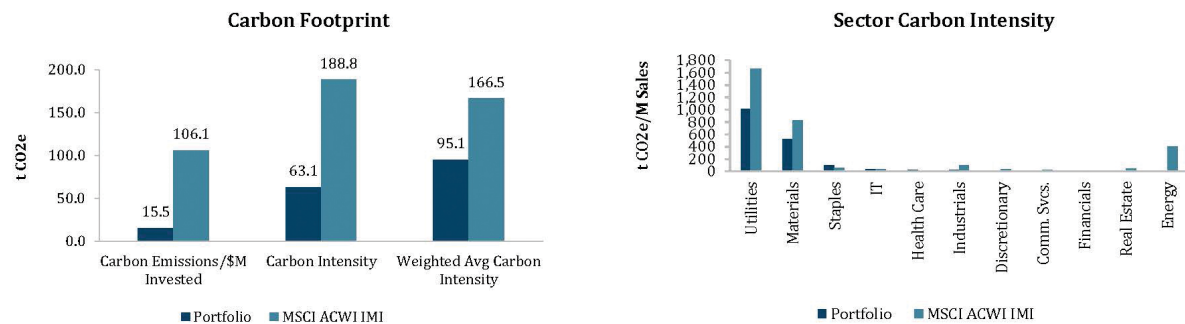
William Blair

Principle 6: Client and Beneficiary Needs (continued)

EXHIBIT 14

Sample Quarterly ESG Reporting (Carbon Exposure)

Carbon Exposure Analysis Representative Portfolio



Portfolio Issuers with Highest Carbon Intensity

Company	Sector	Country	Portfolio Weight (%)	Active Weight ¹ (%)	Carbon Intensity	Contribution to Wtd Avg Carbon Intensity (%)
1 Nextera Energy, Inc.	Utilities	U.S.	1.78	1.52	2,407	45.31
2 Linde PLC	Materials	U.K.	1.73	1.48	1,225	22.46
3 Darling Ingredients Inc.	Staples	U.S.	0.90	0.88	362	3.44
4 Lonza Group A/G	Health Care	Switzerland	1.42	1.37	270	4.07
5 Taiwan Semiconductor Manufacturing Co. Ltd.	IT	Taiwan	2.32	1.75	198	4.86
6 Enphase Energy, Inc.	IT	U.S.	1.75	1.70	190	3.53
7 Orsted A/S	Utilities	Denmark	1.10	1.08	186	2.17
8 Infineon Technologies AG	IT	Germany	1.97	1.91	78	1.62
9 Kingspan Group PLC	Industrials	Ireland	1.20	1.19	52	0.66
10 Mercado Libre Inc.	Discretionary	Uruguay	0.67	0.61	51	0.36
Top 10 Companies			14.85			88.48

¹Security weight in portfolio relative to security weight in MSCI ACWI IMI index. As of December 31, 2022.

The data shown above is based on the strategy's representative portfolio and calculated by William Blair. Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed.

Certain information © 2022 MSCI ESG Research LLC. Reproduced by permission; no further distribution. Portfolio carbon intensity measures the carbon efficiency of a portfolio and is defined as the total carbon emissions of the portfolio per \$ million of portfolio sales; while weighted average carbon intensity is a measure of a portfolio's exposure to carbon related potential market and regulatory risks and is computed as the sum product of the portfolio companies' carbon intensities and weights.

William Blair

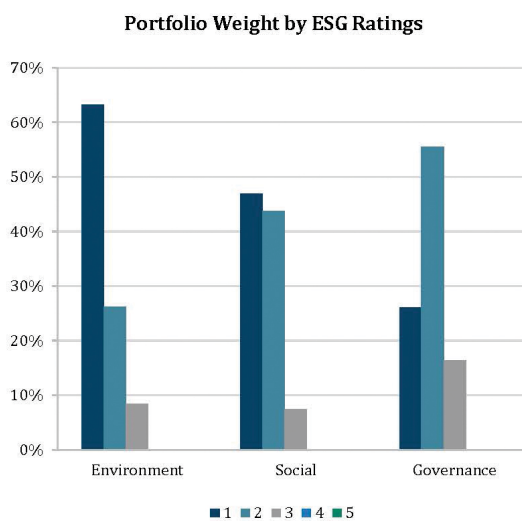
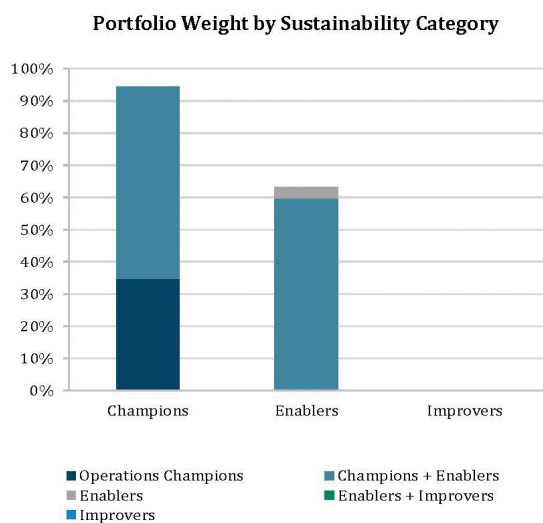
Principle 6: Client and Beneficiary Needs (continued)

EXHIBIT 15

Sample Quarterly ESG Reporting (ESG Ratings)

This stewardship reporting complements the detailed proxy voting activity that is shared with clients and published on our SICAV and U.S. mutual funds websites, and updated throughout the year.

William Blair ESG Ratings and Sustainability Categories Representative Portfolio



As of December 31, 2022.

WB Environmental, Social & Governance ratings are qualitative ratings based on analysts' assessments of each company, guided by WB's materiality framework. Ratings range from 1 (best) to 5 (worst). Sustainability Champions are companies deemed to have high ESG standards relative to peers. Enablers are companies whose products or services help improve ESG standards. Improvers are companies demonstrating ESG enhancements and/or a commitment to engage. Companies may align with multiple categories. The data shown above is based on the strategy's representative portfolio.

William Blair

Principle 7: Stewardship, Investment, and ESG Integration

Signatories systematically integrate stewardship and investment, including material environmental, social, and governance issues and climate change, to fulfil their responsibilities.

Prioritizing ESG Factors

As described under Principle 6, William Blair Investment Management seeks to ensure that we understand and prioritize clients' ESG preferences to better serve their investment needs. Investment teams prioritize ESG factors based on their relevance to our broader investment thesis for individual companies or fixed income issuers. As previously noted, the influence and materiality of ESG factors varies significantly across industries and regions. We also take a different approach to stewardship and investment in different geographies. Market nuances are taken into consideration when we engage with companies and vote proxies. For example, some markets have regulation on ESG factors that is unique to specific countries. Using the various tools and inputs previously referenced, we prioritize stewardship activities based on a combination of considerations including our ownership stake in individual companies, position size in portfolios, relevance of the specific issue to our investment thesis, and the severity of any controversies (if applicable). This is true for prioritization prior to our initial investment and during our holding period as we perform ongoing due diligence, including decisions about whether to add, trim or exit positions.

ESG insights and stewardship activity are primarily informed by proprietary research, including issuer meetings and data aggregation from multiple internal and external resources. As introduced under Principle 1, our assessment of potential ESG risks and opportunities for different issuers, industries, and companies is supported by a materiality framework that was developed internally by the investment teams, with input from the SASB and sustainable investment research providers. Building on this framework, we developed a proprietary qualitative ratings system that is fully aligned with our views on the ESG factors that affect company performance by industry.

In addition to our proprietary ESG research, third-party ESG company ratings are systematically incorporated into Summit, William Blair Investment Management's proprietary internal online research and communication platform, to provide additional context. As described under Principle 2, William Blair Investment Management uses multiple vendors, including MSCI, Institutional Shareholder Services (ISS), and Bloomberg, for externally sourced ESG research, and routinely monitors the data vendor landscape for additional complementary inputs. We seek to monitor the usefulness and effectiveness of all third-party data and service providers as further summarized under Principle 8. We have engaged extensively with our service providers, including MSCI and ISS, to ensure that they meet our standards for quality. This includes frequent meetings between service providers and our client service and technical teams to ensure that they are supporting and adapting services to meet our needs.

Example content from our Summit research platform is shown below for illustrative purposes. The first example (Exhibit 16) includes an excerpt from the industry materiality map developed by our equity teams. As our research analysts conduct due diligence on their assigned companies, Summit provides automated prompts highlighting material ESG topics that may be relevant to the analysis, based on GICS industry classifications.

Principle 7: Stewardship, Investment, and ESG Integration (continued)

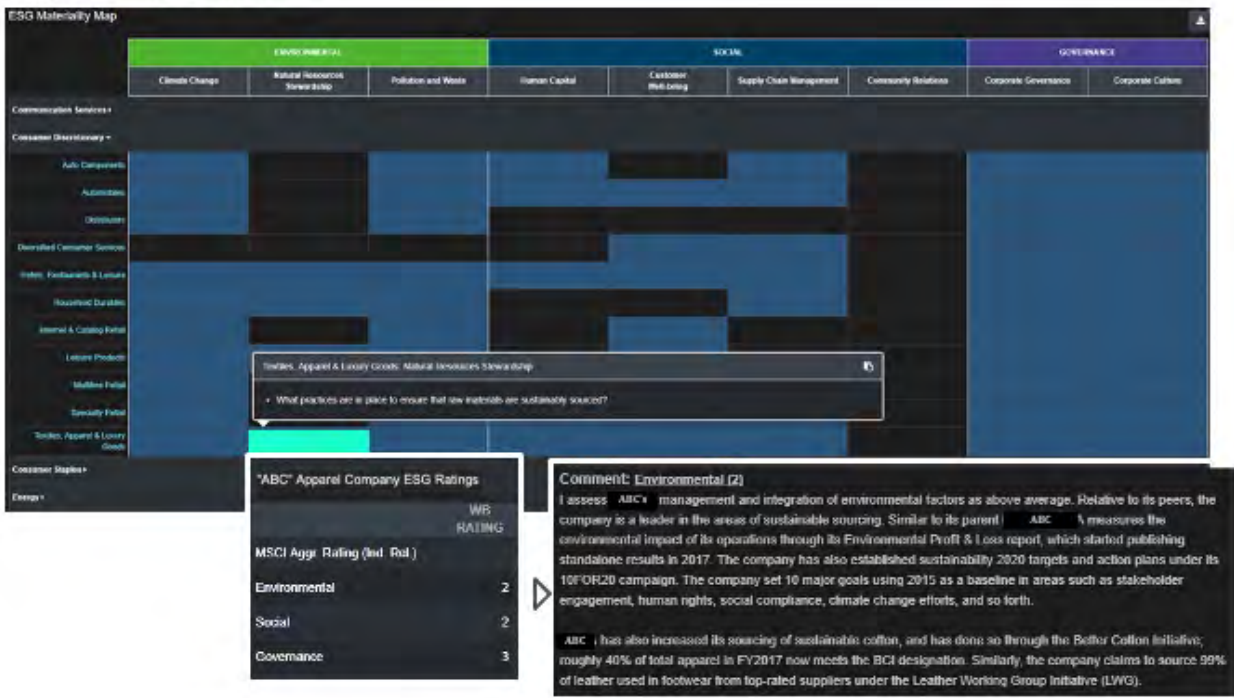
EXHIBIT 16

Summit Example, Apparel Company

Exhibit 16 shows an example for an apparel company assigned to the GICS industry classification “textiles, apparel, and luxury goods.” Raw material sourcing practices are highlighted as a likely material issue to address in our analysis. The information obtained from our subsequent research on sourcing practices informs our environmental rating for the company.

Materiality Framework Informs Proprietary Ratings

- Qualitative scores based on fundamental analysts' views on material issues
- Input for company engagement



ESG Materiality Map	ENVIRONMENTAL			SOCIAL				GOVERNANCE	
	Climate Change	Natural Resources Stewardship	Pollution and Waste	Human Capital	Customer Well-being	Supply Chain Management	Community Relations	Corporate Governance	Corporate Culture
Communication Services									
Consumer Discretionary									
Auto Components									
Automotives									
Distributors									
Diversified Consumer Services									
Fabric, Footwear & Leisure									
Household Durables									
Internet & Catalog Retail									
Leisure Products									
Multi-line Retail									
Specialty Retail									
Textiles, Apparel & Luxury Goods									
Consumer Staples									
Energy									

"ABC" Apparel Company ESG Ratings	
WB RATING	
MSCI Ayr Rating (incl. Rd.)	
Environmental	2
Social	2
Governance	3

Comment: Environmental (2)
 I assess ABC's management and integration of environmental factors as above average. Relative to its peers, the company is a leader in the areas of sustainable sourcing. Similar to its parent, ABC measures the environmental impact of its operations through its Environmental Profit & Loss report, which started publishing standalone results in 2017. The company has also established sustainability 2020 targets and action plans under its 10FOR20 campaign. The company set 10 major goals using 2015 as a baseline in areas such as stakeholder engagement, human rights, social compliance, climate change efforts, and so forth. ABC has also increased its sourcing of sustainable cotton, and has done so through the Better Cotton Initiative; roughly 40% of total apparel in FY2017 now meets the BCI designation. Similarly, the company claims to source 99% of leather used in footwear from top-rated suppliers under the Leather Working Group initiative (LWG).

Source: Summit, William Blair. For illustrative purposes only and not intended as investment advice or a recommendation to purchase or sell any security.

Principle 7: Stewardship, Investment, and ESG Integration (continued)

EXHIBIT 17

Analyst Commentary in Summit

Analyst commentary supporting the proprietary rating is documented in Summit on the company's ESG dashboard page.

Summit Company ESG Dashboard Example

William Blair analyst rating commentary on industry-specific topics (e.g. sustainable sourcing of raw materials for apparel company)

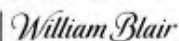
The screenshot shows the William Blair Summit ESG Dashboard. The top navigation bar includes 'OVERVIEW', 'QUANT DETAIL', 'PEER GROUP', 'REC REPORT', and 'ESG DETAIL'. The 'ESG DETAIL' tab is active. The dashboard is divided into several sections:

- ESG Overview:** A table showing ESG ratings and weights for Environmental, Social, and Governance.
- Peer Rating:** A table showing peer ratings for Environmental, Social, and Governance.
- Environmental:** A section with sub-tabs for 'Climate Change', 'Natural Resources Stewardship', and 'Pollution and Waste'. It contains text about the company's environmental rating change to 2 via ESG Rating Change on 9/24/2019.
- Social:** A section with sub-tabs for 'Human Capital', 'Customer Well-being', and 'Supply Chain Management'. It contains text about the company's social rating change to 2 via ESG Rating Change on 9/24/2019.
- Governance:** A section with sub-tabs for 'Corporate Governance' and 'Corporate Culture'. It contains text about the company's governance rating change to 3 via ESG Rating Change on 9/24/2019.

On the right side, there is an event log titled 'ESG Rating Change' with a comment from the analyst: 'I assess [redacted] management and integration of environmental factors as above average. Relative to its peers, the company is a leader in the areas of sustainable sourcing. Similar to its peers, [redacted] measures the environmental impact of its operations through its Environmental Profit & Loss report, which started publishing standalone results in 2017. The company has also established sustainability 2020 targets and action plans under its 10FOR20 campaign. The company set 10 major goals using 2015 as a baseline in areas such as stakeholder engagement, human rights, social compliance, climate change efforts, and so forth.'

Event log tracks our ESG-related company interactions, ratings changes and other team insights on company/peer sustainability topics.

Source: Summit, William Blair. For illustrative purposes only.



Principle 7: Stewardship, Investment, and ESG Integration (continued)

In addition to analyst ratings commentary, the dashboard includes other useful information such as the firm's ESG ratings for industry peers, MSCI ESG ratings, and a company event log capturing historical company engagement activity undertaken by William Blair Investment Management (Exhibit 17).

As previously noted under Principle 1 (Exhibit 1), governance-related factors that we emphasize include board composition, minority shareholder treatment, management incentives, capital structure, and corporate culture. Environmental areas of focus include climate change, natural resources stewardship, and pollution and waste management. Social considerations include human capital management, customer well-being, supply chain management, and community relations. The materiality of these environmental and social issues varies by country, industry, and company.

Our materiality framework has proved to be a valuable tool for informing our equity analysts' and portfolio managers' decision-making. To build on this momentum, we have developed a proprietary qualitative ESG ratings system

When assigning ESG ratings in recommendation reports, analysts are systematically prompted in Summit with the topics and sample engagement questions from our materiality framework, based on the company's GICS industry code. ESG ratings are qualitative and based on a 1-to-5 scale where 1 is best, 5 is worst, and 3 is average relative to industry peers. Governance ratings are

more prescriptive, such that the following three minimum criteria need to be met in order to be eligible to receive a 1 rating: 1) separate CEO and chair; 2) majority independent board; and 3) equal voting rights.

ESG integration and stewardship approaches vary across our investment teams, reflecting unique investment process and asset class attributes. Across our fundamental equity strategies, our investment philosophy is based on identifying quality companies that we believe are able to produce excess returns on invested capital over time and use those returns to control their destiny—a concept we refer to as sustainable value creation. We believe that a company's ability to do this is inextricably linked to ESG factors.

For our emerging markets debt strategies, our sovereign risk model (SRM), is an integral part of our investment process. The SRM rests on two pillars that inform our view of fair value for sovereign credit spreads. One pillar is financial, and the other is ESG. The financial pillar informs the macroeconomic score for a country. In the ESG pillar, the governance framework focuses primarily on political processes, institutions, and other governance factors; we also look at some environmental and social aspects of individual credits. Our bottom-up sovereign credit work looks at the individual country ESG policies and frameworks. In instances where ESG scores fall below punitive levels, this may lead to the exclusion of sovereign issuers.



Principle 8: Monitoring Service Providers

Signatories monitor and hold to account managers and/or service providers.

William Blair Investment Management is committed to selecting service providers and monitoring their performance in a manner that is designed to provide high-quality service to our clients consistent with our fiduciary duties and commitment to clients. Our written procedures contain steps for addressing the evaluation, selection, and monitoring of key service providers and the ongoing oversight of these procedures.

Service provider decisions are based on several factors including data coverage and quality, technology integration/ease of access considerations, differentiation versus existing data sets, and cost. Oversight of key service providers is conducted on at least an annual basis. The firm performs periodic due diligence on service providers. Reviews may include due diligence questionnaires, inspection of independent audits (e.g., ISAE 3402 and SOC 1 and SOC 2 reports), and on-site visits.

Proxy Voting Service Provider Oversight

William Blair Investment Management has adopted and implemented proxy voting policy statement and procedures (the “policy”). The policy is designed to:

- ensure that the adviser votes client securities in the best interest of clients (specifically including how material conflicts that may arise between the adviser and its clients are addressed);
- disclose to its clients how they may obtain information from the adviser about how the adviser voted with respect to the client’s securities;
- describe its policies and procedures to its clients and furnish a full copy of those policies and procedures to clients upon request;
- and describe what proxy voting records must be maintained.

William Blair Investment Management has engaged a third-party proxy advisory firm, ISS, as its proxy voting agent. Our proxy committee, which includes representatives from management, portfolio managers, analysts, operation professionals, and the compliance

department, is responsible for the oversight of proxy voting matters including the voting agent. The proxy analyst, who is a member of the Investment Management trade support team, monitors day-to-day proxy activity.

The proxy committee works closely with ISS, monitors the firm’s work, and routinely performs due diligence. In addition, William Blair Investment Management personnel conduct regular conference calls with ISS to manage ongoing production and service needs. As part of its annual review, the proxy committee meets with representatives from ISS, who present their voting guideline methodologies, including any changes to methodologies. In addition, the trade support team manager and the proxy analyst meet with representatives of ISS at least semiannually to discuss recent developments with ISS and to communicate such developments to the proxy committee. Based on its 2022 assessment, William Blair Investment Management determined that ISS has demonstrated satisfactory performance in its delivery of agreed upon services.

In 2022, we voted at 99.51 percent of the meetings where our clients had given us their authority to vote their shares. Our voting positions are monitored via the ISS electronic voting platform. Using the same platform, we also track the progress of the vote submissions through to the relevant custodian bank or other intermediary responsible for the final submission of the vote to the issuing company. Additional information can be found under Executing Voting Responsibilities, below.

The WBIM compliance department, under the direction of the chief compliance officer, also conducts annual due diligence of ISS, assessing, among other things, ISS’s compliance program, research and voting processes, and potential conflicts in conjunction with the annual compliance review and prepares a written report. From time to time, the proxy committee will also consider other potential proxy voting service providers.

Principle 8: Monitoring Service Providers (continued)

Key Proxy Voting Policy Updates for 2022

Director Elections—Board Diversity: Racial/Ethnic

- **Policy Update**—Withhold support from nominating committee chair where the board has no apparent racially or ethnically diverse members in the U.S.
- **Policy Update**—Market-specific changes for international issuers that are in line with progressing market expectations, guidance, or regulatory requirements.

Director Elections—Accountability (Climate)

- **New Policy**—For Climate Action 100+ companies in select markets, withhold support for chair of incumbent committee chair where a company does not take minimum steps to understand, assess, and mitigate risks related to climate change.
- Some clients have expressed strong expectations for companies to provide detailed disclosure of climate-related risks and to set targets aligned with a pathway to Net Zero by 2050, aligned with a 1.5-degree scenario. Specialty Research may publish further policy updates for select Specialty Research policies later in 2022 to incorporate Net Zero considerations, depending on data availability and other factors required for effective implementation.

Shareholder Proposals—Board Diversity

- Update existing language to generally support shareholder requests to take reasonable steps to increase board diversity.

Shareholder Proposals—Racial Equity and/or Civil Rights Audits

- New policy to generally support proposals requesting a company conduct an independent racial equity and/or civil rights audit, considering the company disclosures, policies, actions, and engagements.

Say on Climate (Management and Shareholder Proposals)

- New policy language to codify case-by-case approach on both shareholder proposals requesting a company to hold regular votes to approve a company's climate plan or reporting, as well as the management proposals requesting approval of those plans or reports.

- In international markets, we have also seen these proposals in Canada, France, South Africa, Spain, Switzerland, Australia, and the U.K.

The proxy committee also convenes on an as-needed basis to discuss potential proxy conflicts or vote recommendations contrary to guidelines that may be raised by a portfolio manager or analyst. In the event of issues not covered by the policy guidelines or in cases in which a member of a portfolio management team determines that the guidelines result in a vote that is not in the best interest of shareholders, the portfolio management team consults the proxy committee. The proxy committee reviews the issue and determines whether the vote is in the best interest of clients based on information presented by the portfolio management team. The determination of the committee is reflected in documentation that is retained by the compliance department.

William Blair will vote against ISS recommendations, based on recommendations of the portfolio management team, in instances where the proxy committee has also reviewed and approved changing our vote. Analysts provide detailed rationale to the proxy committee and then need a majority vote from the committee in order for the vote change to be processed. In each such case of a vote change, no conflict of interests are present, and William Blair Investment Management votes proxies according to the portfolio management team's recommendation in a manner consistent with the policy. Sustainability-oriented voting examples that occurred in 2022 during the period covered by this report are provided in the discussion of Principle 12.

In 2022, William Blair hired Nicole Sarby as an ESG stewardship specialist. In her role, she works closely with analysts to review proxy voting decisions and ensure that we are taking our active analyst's perspective into consideration. Nicole has an extensive background in ESG stewardship and working with investment teams to drive strong engagement results, which may also then be tied to proxy voting decisions. At William Blair, our entire ESG team works closely with our investment analysts and portfolio managers to have dialogue on and assess proxy proposals.

Principle 8: Monitoring Service Providers (continued)

Starting in the 2023 proxy season, our new ESG stewardship specialist plans to work side by side our investment teams to arrive at vote outcomes which are in the overall best interest of our clients and shareholders. Nicole will also partner with analysts and portfolio managers to conduct ESG engagements, often involving discussions related to proxy voting.

Data Provider Oversight

William Blair Investment Management recognizes that ESG data has inherent limitations. While we understand that data sources are not consistently reliable enough to provide precise information on which to make decisions effectively, we see value in using third-party data sources to supplement our own proprietary ESG research analysis. It is important to understand ESG data limitations and to question ESG data that appears to contradict conclusions drawn from our internal analysis. While we do not make decisions solely on data, we also seek to challenge data that we know are materially inaccurate.

For example, in 2022, we engaged with data provider MSCI to address several company data discrepancies identified through our fundamental analysis. These included examples related to our corporate governance-related analysis of the boards of directors at L’Oreal SA and Lonza AG. Specifically, for L’Oreal, we identified a discrepancy between MSCI and the company related to the designation of employee representatives on the board, which MSCI corrected at our request. For Lonza, MSCI was incorrectly flagging a lack of pharmaceutical industry expertise on the board which did not account for the election of director Roger Nitsch at the company’s 2022 AGM. In addition to these corporate governance data issues, we identified discrepancies between greenhouse gas emissions data reported by MSCI and investee companies including Housing Development Finance Corporation Ltd and KBC Group NV, which we addressed with MSCI.



Principle 9: Engagement

Signatories engage with issuers to maintain or enhance the value of assets.

William Blair Investment Management's investment teams actively engage with issuers, including representatives from senior management, investor relations, sustainability teams, and board members. How we engage varies depending on the circumstances and issues being discussed, and may include in-person and virtual meetings, calls, or emails.

ESG integration at William Blair Investment Management encompasses responsible ownership practices, and we take seriously our responsibility to monitor the effectiveness of company management and to exert influence on governance practices through the exercise of proxy voting rights. Our commitment to responsible ownership is demonstrated by our support of global investor networks and frameworks, including the PRI, the U.S. Investor Stewardship Group, the Framework for U.S. Stewardship and Governance, the International Corporate Governance Network, the Japan Stewardship Code, the Korea Stewardship Code, and the Emerging Markets Investors Alliance.

As a fiduciary, we seek transparency and disclosure of material as well as decision-useful information from issuers as a matter of course. To that end, we engage to better understand key value drivers, risks, and opportunities; to monitor progress in achieving strategic, operational, and financial objectives; and to encourage issuers to be transparent and proactive in the management of material risks.

Our research analysts routinely meet with the management of companies as part of our investment process and raise ESG-related concerns, including company-specific or more systemic risks, such as climate change, which can be material to financial performance. Engagement dialogue is informed by our industry-focused ESG materiality framework and may include environmental factors (such as pollution and waste control), social issues (such as data privacy and human capital management), or governance topics (such as improving shareholder rights and board structure).

While research analysts are primarily responsible for engaging with companies, portfolio managers and members of the WBIM's ESG leadership team may also participate.

The types of engagement methods used are a function of asset class, geography, and corporate lifecycle differences across our investments. We do not vary our approach based on client type, although clients invested in our sustainability-focused strategies generally have more explicit ESG integration objectives and higher expectations for ESG-focused engagement activity and reporting.

In 2022, across equity strategies, William Blair Investment Management engaged with 98 companies in 20 different countries.

Engagement with Small- and Midcap Companies

William Blair Investment Management has a long history of investing across the market-capitalization spectrum, with significant expertise in researching and engaging with senior management and board members of small- and midcap companies at earlier stages of the corporate lifecycle. As we gain more experience engaging with companies about ESG issues across our investment universe, we have a greater appreciation for the impact we can have on less mature companies that have yet to formalize their sustainability priorities and goals. Corporate governance practices are typically still evolving at these earlier stage companies, with significant variation in local governance codes and listing requirements. This necessitates a pragmatic approach to our analysis and engagement methods.

Having invested in emerging markets for more than 25 years, we are aware of the nuances of local ownership structures and governance practices that help us adapt our approach to engaging with a small IT services company in Brazil, for example, versus more mature industry peers based in western Europe or the United States.

Principle 9: Engagement (continued)

These corporate lifecycle and geographic nuances are illustrated in our engagement example below for the small-cap Brazilian technology company Locaweb Servicos de Internet SA, which offers a diverse portfolio of business-to-business solutions for SMEs in Brazil, including website hosting, cloud computing, and other services that enable online operations.

Additional Engagement Highlights from 2022

Provided below are additional examples of our engagement activity undertaken in 2022:

Company/Issuer: Hypera SA

Country: Brazil

Sector: Healthcare

ESG Topics Discussed: Corporate Governance, Internal Controls and Risk Management, and Board Oversight

Background:

- Hypera is a pharmaceutical company that sells prescription, generic, and over the counter (OTC) medications in Brazil.
- Hypera's regulatory expertise, manufacturing capabilities, and sales force give the company cost advantages in terms of time to commercial approval, manufacturing capacity, and distribution reach—supporting our thesis.

- Our decision to invest was directly informed by our engagement on a key corporate governance issue (summarized below).
- ESG ratings reflect scope for further improvement in policies and practices relative to global peers.

Engagement Summary:

- Assessed corporate governance risks related to the company founder, who was connected to a government corruption scandal in 2014.
- Objective was to understand Hypera's current relationship with the founder, who is the largest shareholder.
- Understand improvements to internal controls and risk management procedures since the scandal, which resulted in a complete overhaul of management and the board.

Outcomes—ESG and Investment Conclusions:

- The company sufficiently addressed our questions regarding enhancements to internal controls and our concerns about the founder's ownership stake and ability to influence decision making.
- We confirmed that the founder has not been involved in company operations for the past five years. Board candidate founder recommendations are subject to a majority vote.
- The engagement bolstered our confidence in Hypera's governance policies and practices, supporting our decision to initiate an investment in the company.

William Blair Investment Management Hypera SA ESG Score

Rating**	Rationale
3	Environmental <ul style="list-style-type: none"> • Reduced emissions per unit of product by 20% since 2018 • Reuses over 37,000 cubi meters of water annually • Targeting a 5% reduction in production waste generation
3	Social <ul style="list-style-type: none"> • Multiple programs to protect and promote employee health, including the Occupational Health Medical Control Program, the Hearing Conservation Program, and the Ergonomic Work Assessment which are governed by the company's Seven Saftey Principles • Lost workdays rate at Hypera has been reduced by more than half in the last three years
3	Governance <ul style="list-style-type: none"> • Risk & Compliance department directly reports to the CEO and there is a whistleblower channel available through the website • The entire company undergoes anti-corruption training annually

**William Blair Investment Management proprietary environmental, social, and governance ratings are based on a global industry-relative assessment where 1 is best and 5 is worst.

Principle 9: Engagement (continued)

Company/Issuer: Halma

Country: U.K.

Sector: Information Technology

ESG Topics Discussed: Board Oversight, Human Capital Management, and Executive Compensation

Background:

- In 2022, we held a call with Halma's new Chairwoman Dame Louise Makin.

Engagement Summary:

- During the call, we covered a variety of topics, including the board's approach to monitoring performance, employee engagement, capital allocation, executive compensation, and ESG as well as the opportunities and risk related to growth. A few key takeaways include the high level of transparency and accountability at Halma as well as the importance of human capital to the company's success. It was evident from the call that there is a high level of ongoing engagement and oversight between the board and management, ensuring a consistent vision for the company.

Outcomes–ESG and Investment Conclusions:

- Following the call, our already high respect for Halma's model was only strengthened. We are upgrading Halma's governance rating to a 1.

Company/Issuer: Bright Horizons Family Solutions

Country: U.S.

Sector: Consumer Discretionary

ESG Topics Discussed: Human Capital Management and Diversity, Equity and Inclusion

Background:

- Bright Horizons is the market leader in employer-sponsored childcare. The company partners with employers to provide full-service care, back-up care, and education advisory services

Engagement Summary:

- In Q3 2022, we met with the company's CFO to discuss ESG priorities.
- The company recently developed a Corporate Social Responsibility page on its website where it provides disclosures on material ESG strategy, priorities, and

initiatives. The company's 10-K annual report covers culture, human capital, and diversity & inclusion (D&I).

Outcomes–ESG and Investment Conclusions:

- We encouraged the company to explore developing integrated reporting, given its material ESG issues, which include culture, human capital, and D&I, are closely tied to its core business.

Company/Issuer: TechnipFMC

Country: U.S.

Sector: Energy

ESG Topics Discussed: Climate Strategy, Executive Compensation, and Board Oversight

Background:

- TechnipFMC is an equipment and service provider for offshore oil and gas projects; it also has a smaller surface equipment business.

Engagement Summary:

- In Q4 2022, we met with company representatives to review ESG initiatives.
- The company has a well-designed compensation plan and has responded to shareholder feedback over the years, incorporating ROIC targets per investor feedback and including ESG performance significantly in bonus determinations.
- The company publishes a very transparent ESG scorecard annually, and has begun work on calculating Scope 3 emissions, demonstrating stronger efforts in this area than most peers.

Outcomes–ESG and Investment Conclusions:

- We did suggest the company consider separating its CEO and Chairman role.
- As a result of our findings, we upgraded our internal E, S, and G ratings for TechnipFMC.

Principle 9: Engagement (continued)

Company/Issuer: Locaweb Servicos de Internet SA (Locaweb)

Country: Brazil

Sector: Information Technology

ESG Topics Discussed: Human Capital Management and Company Disclosures

Background:

- We have had an ongoing engagement dialogue with Locaweb since the fall of 2020. Our primary focus has been on identifying materiality, improving disclosures and working on initiatives around talent retention, diversity, and culture. We continued our engagement with Locaweb's management and board on a variety of ESG matters throughout 2021 and 2022. One of our stated objectives for Locaweb was to increase the level of transparency for foreign investors, including adding English language in their disclosures.

Engagement Summary:

- We engaged with Locaweb twice during 2021 to follow up on their continued progress. After our meeting in April 2021, management set expectations to publish their first ever integrated sustainability report later in 2022. During our second engagement meeting in June, we spoke with Locaweb's head of human resources to discuss our expectations for continued progress relating to talent retention and culture. The company has since created a broad, structured framework relating to its talent retention strategy, diversity, and inclusion initiatives, which includes a trainee program, succession planning, and career plan flexibility.
- As part of our ongoing ESG efforts with the company, we have offered materiality-related feedback, previewed some ESG-related information, conducted discussions with the Board, and are currently evaluating an ESG stakeholder survey for the company before engaging broadly. We expect Locaweb to release its first sustainability report in the coming quarters that outlines key environmental, social, and governance initiatives.

Outcomes–ESG and Investment Conclusions:

- We are continuing to engage with Locaweb on a regular basis. Notably, in early 2022 we were among a small and early group of stakeholders to participate in a content survey to help the company identify priorities ahead of the publication of its sustainability report. The survey included identifying and prioritizing recommendations for Locaweb's materiality framework, based on the UN's SDGs and the SASB framework.
- Locaweb recently introduced a new webpage centered on ESG disclosures.

Principle 10: Collaboration

Signatories, where necessary, participate in collaborative engagement to influence issuers.

Our preference is to engage privately in order to pursue a constructive dialogue with companies over time, although we continue to explore collaborative engagement opportunities. We will also explore collaborative engagement opportunities with other shareholders through industry networks including the EMIA and the PRI when it aligns with our investment objectives. Our emerging markets debt team collaborated with EMIA to address financial transparency in South Africa and began to do the same in Cameroon during late 2022 and will have their first engagement with them in 2023. William Blair Investment Management was proud to join EMIA in 2021 to help improve our effectiveness in our emerging markets debt engagements. The EMIA is a not-for-profit organization that enables institutional emerging markets investors to support good governance, promote sustainable development, and improve investment performance in the governments and companies in which they invest. The alliance seeks to raise awareness and advocate for these issues through collaboration among investors, companies or governments, and public policy experts.

Our emerging markets debt team also collaborated with other Pemex investors focused on addressing the company's ESG risks and responses to past controversies. Our broader industry collaborations were discussed under Principle 4, including our work with the PRI's sovereign debt advisory committee and participation in the ICI's consultations related to the EU's sustainable finance agenda. Using the various inputs previously referenced, we prioritize stewardship activities based on a combination of considerations, including our ownership stake in individual companies, position size in portfolios, relevance of the specific issue to our investment thesis, and the severity of any controversies (if applicable). Companies and debt issuers with scope for improvement on material ESG issues are identified through a combination of proprietary and third-party research, including screening tools to systematically identify companies exposed to controversial industries or products, or which have potentially violated global norms.

Additional Engagement Highlights from 2022

Company/Issuer: Petróleos Mexicano (Pemex)– Climate Action 100+ Collaborative Engagement

Country: Mexico

Sector: Energy

ESG Topics Discussed: Internal Controls, Governance Framework on Corruption and Operational Safety, and GHG Emissions and Targets

Background:

- Pemex is the Mexican state-owned petroleum company managed and operated by the Mexican government. We regularly engage with Pemex on ESG issues, including on the resolution of claims related to the 2019 Tlahuelilpan pipeline explosion in Hidalgo, Mexico.
- The company faced allegations of failing to address the participation of its own employees in fuel thefts, which posed risks to the surrounding communities. In response to the illegal tapping of fuel from its pipelines, Pemex is implementing anti-theft strategies through government authorities and administration to prevent future incidents. In addition, Pemex is working with communities to spread awareness of the drastic consequences of the illegal tapping of fuel.

Engagement Summary:

- We remain engaged with Pemex on improving its internal controls as well its pipeline maintenance and management safety operations. More broadly, we also remain engaged on Pemex's environmental policies and its plans to reduce greenhouse gas emissions. We engaged with Pemex in multiple one-on-one calls in 2021, as well as group calls facilitated by the company's investor relations team.
- We continued our dialogue with the company in 2022 through the Climate Action 100+ working group, where we discussed methane emission reduction targets, the company's 2022–2026 business plan to include more specific sustainability objectives, and established a quarterly meeting schedule.

Principle 10: Collaboration (continued)

Outcomes–ESG and Investment Conclusions:

- Pemex is one of the focus companies that Climate Action 100+ is engaging with to improve climate change governance, cut emissions, and strengthen climate-related financial disclosures. We are participating in conversations with the CA100+ working group. The engagement with Pemex is ongoing.
- We are planning to meet with Pemex several more times in 2023 and continue to advocate that they have a transparent ESG strategy and appropriate goals linked to their strategy. In addition, we will seek further information on the criteria which the company's newly formed Sustainability Committee will address.

Company/Issuer: South Africa–EMIA

Collaborative Engagement

ESG Topics Discussed: Human Rights and Financial Transparency

Background:

- The objective of the campaign is to urge South Africa's National Treasury to improve its budget transparency.

Engagement Summary:

We worked to address the following agenda during our collaborative engagement:

- **Enacted Budget**—Improve the comprehensiveness of the Enacted Budget by including approved estimates of government debt and borrowing as well as revenues.
- **National Treasury**—Actively engage vulnerable and under-represented communities, directly or through representatives of various civil society organizations, across the fiscal year.
- **Annual Budget**—Parliament has established public hearings related to the approval of the annual budget. However, we would welcome the adoption of a more inclusive mechanism that allows any member of the public or any civil society organization to testify during Parliamentary hearings on the budget proposal prior to its approval.
- **Annual Budget**—Establish alternative forms of engagement other than testimony during hearings to ensure a more diverse Parliamentary hearing.

- **The Executive's Budget Proposal**—Provide adequate parliamentary oversight during the planning stage of the budget cycle and adequate oversight during the implementation stage. The Executive's Budget Proposal could be submitted to legislators at least two months prior to the start of the budget year. The legislature could approve the Executive's Budget Proposal before the start of the budget year.

Outcomes–ESG and Investment Conclusions:

- Achievements will be measured in terms of progress on engagements with Ministry officials, Ministry implementation of proposals, or adoption of improved transparency around the budget.

Principle 11: Escalation

Signatories, where necessary, escalate stewardship activities to influence issuers.

Depending on the circumstances, our escalation strategies may include writing letters to senior executives, pursuing meetings with independent directors to address specific areas of concern, or voting against management at annual general meetings or extraordinary general meetings. If over time our concerns are not sufficiently addressed through engagement and voting, we may decide to exit our positions. Occurrences that give rise to a need to escalate tend to be less frequent given the nature of our quality-focused investment approach, which seeks to avoid companies or issuers involved in significant ESG controversies or with track records of mismanagement or controversial practices where there is no indication of improvement or intention to improve.

Additional Engagement Highlights from 2022

Company/Issuer: Teleperformance

Country: France

Sector: Industrials

ESG Topics Discussed: Human Capital Management, Impacts of AI, and Risk Oversight

Background:

- Teleperformance was experiencing heightened ESG concerns on operations in Columbia, and more broadly, within their content moderation business. This controversy, and additional investment considerations, led us to conduct an in-depth thesis review on the company.

Engagement Summary:

In 2022, we did a significant investment thesis review on Teleperformance to evaluate:

1. The potential impact of AI on the company's business model and growth potential
2. Concerns about the company's future strategy to manage moderation of highly egregious content
3. The impact of slowing macro on near-term opportunities

After extensive internal review, our portfolio manager who was overseeing our investment decision on Teleperformance, escalated next steps by scheduling a meeting with several members of the executive management team to discuss content moderation. From our engagement, we confirmed that the company will exit the highly egregious part of the content moderation business when current contracts come to an end. Management believed that this was the right decision as ESG risks related to this issue were significant.

Outcomes – ESG and Investment Conclusions:

- Overall, we were comfortable with next steps the company was taking to address our concerns. The company was highly transparent with us and managed well through the content moderation crisis. In late 2022, we added to our position in Teleperformance after conducting a thorough thesis review and were then reassured by management after engaging extensively on their strategy to address the concerns we had. The company is also working on conducting a third-party audit of their content moderation practices.

Company/Issuer: Lonza Group AG

Country: Switzerland

Sector: Health Care

ESG Topics Discussed: Board Composition and Director Skillset

Background:

- We regularly engage Lonza on their ESG practices and disclosures. One of our primary focuses during recent engagements was board composition as we sought to increase our awareness on how the board is handling future director nominations, as well as communicate our stance on proposed changes to the board.

Engagement Summary:

- In 2021, as part of our ongoing engagement dialogue with Lonza, we had a discussion with the board Chairman on the breadth of experience

Principle 11: Escalation (continued)

within upper management and on the board of directors. Specifically, we outlined our perspective regarding different skills and changes to be considered when adding management and board personnel. A skillset that we continued to advocate for in new board candidates was biopharma industry expertise, particularly after Lonza had become a pure-play pharma company.

Outcomes – ESG and Investment Conclusions:

- Lonza progressed on the topics we discussed soon after our engagement. In late 2021, the company appointed a new CFO who has experience in pharma. At the company's 2022 AGM, we were prepared to escalate our engagement by voting against unqualified directors. However, there were two new board members up for nomination who we voted in favor of: Roger Nitsch, who is a neuroscientist with pharma expertise, and Marion Helmes, who increased gender diversity on the board and has extensive financial and operational skills.

Principle 12: Exercising Rights and Responsibilities

Signatories actively exercise their rights and responsibilities.

Executing Voting Responsibilities

William Blair Investment Management's policy is to vote proxies of its clients solely in the interest of their participants and beneficiaries and for the exclusive purpose of providing benefits to them. The firm's written procedures contain steps for complying with this policy and specifically address resolution of conflicts of interest, disclosure to clients, and provision of requested copies of the proxy voting policy statement and procedures.

Segregated account clients can choose to have William Blair Investment Management vote its proxies or they can retain their proxy voting responsibility. In cases where William Blair Investment Management has proxy voting authority, we vote proxies solely in the best interest of our clients' participants and beneficiaries and for the exclusive purpose of providing benefits to them and shall not place William Blair Investment Management's own interests ahead of the interests of our clients. Under the prevailing circumstances, we act with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Proxy voting authority for pooled funds sponsored by William Blair Investment Management has been delegated to William Blair Investment Management by each pooled fund's governing body (e.g., board of directors or general partner).

William Blair Investment Management aims to vote at all shareholder meetings where our clients have given us the authority to vote their shares and where it is feasible to do so. However, when we deem appropriate, we could refrain from voting at meetings in cases, as listed below, where:

- Power of attorney documentation is required.
- Voting will have a material impact on our ability to trade the security.
- Voting is not permissible due to sanctions affecting a company or individual.

- Issuer-specific special documentation is required, or various market or issuer certifications are required.
- Unless a client directs otherwise, William Blair Investment Management will not vote proxies in so called "share blocking" markets (markets where proxy voters have their securities blocked from trading during the period of the annual meeting).

William Blair Investment Management is not responsible for voting proxies we do not receive in a timely manner. William Blair does not engage in securities lending for clients' accounts; however, for clients participating in a securities lending program via their custodian, we will not be eligible to vote proxies for the portion of shares on loan. In some instances, we agree to implement a client's own proxy voting policy. In instances where we have implemented a client-provided proxy voting policy, we will vote in accordance with the client's policy at all times even if the client's policy is inconsistent with William Blair Investment Management's vote.

Generally, William Blair relies upon an administrator to facilitate our proxy voting activities. Our proxy administrator reviews all proxies received, subject to the requirement that all votes shall be cast solely in the best interest of the clients in their capacity as shareholders of a company. The proxy administrator votes the proxies according to the firm's voting guidelines, which are designed to address matters typically arising in proxy votes. William Blair has engaged ISS (see also Principle 8) to assist in the administration and voting of proxies. The voting guidelines are available on [ISS's website](#). William Blair typically follows the sustainability proxy voting guidelines. Clients also can instruct William Blair to follow other proxy voting guidelines for proxies associated with the securities held in their own portfolio.

In the event that any conflicts of interest arise in the firm's voting of proxies, William Blair Investment Management's proxy committee votes all proxies for that company according to our predetermined procedures. If our voting guidelines indicate a vote "for" or "against" a specific issue,

Principle 12: Exercising Rights and Responsibilities (continued)

we continue to vote according to the voting guidelines. If our voting guidelines have no recommendation or indicate a vote on a “case-by-case” basis, we vote consistent with the voting recommendation provided by ISS (see also Principle 8, Oversight of Service Providers). ISS provides proxy voting, maintenance, reporting, analysis, and recordkeeping services for William Blair Investment Management for clients where we have proxy voting authority. If a client expressly directs in writing how a solicitation should be voted, William Blair Investment Management will cast the vote with respect to such solicitation in the manner directed by the client.

For more information on our firm’s proxy policy, please click [here](#).

Summary of Proxy Voting

We believe that exercising our voting rights is integral to our active ownership responsibilities. As fiduciaries to our clients and stewards of their assets we recognize we have

a duty to vote client securities’ proxies in a timely manner and make voting decisions that are in the best interest of our clients. Clients can request to receive a report of their proxy voting activity upon request or pooled fund investors can view our proxy voting records [here](#). Exhibits 18-20 show William Blair Investment Management’s voting in all votable meetings in 2022:

In international markets where share blocking applies, WBIM typically will not, but reserve the right to, vote proxies due to liquidity constraints. Share blocking is the “freezing” of shares for trading purposes at the custodian/sub-custodian bank level in order to vote proxies. Share blocking typically takes place between 1 and 20 days before an upcoming shareholder meeting, depending on the market. While shares are frozen, they may not be traded. Therefore, the potential exists for a pending trade to fail if trade settlement falls on a date during the blocking period. WBIM shall not subordinate the interests of participants and beneficiaries to unrelated objectives.

EXHIBIT 18

Voting in All 2022 Votable Meetings

Meeting Overview

Category	Number	Percentage
Number of Votable Meetings	1,230	—
Number of Meetings Voted	1,224	99.51%
Number of Meetings With At Least One Vote Against, Withhold, or Abstain	621	50.49%

Ballot Overview

Category	Number	Percentage
Number of Votable Ballots	24,469	—
Number of Ballots Voted	23,737	97.01%

Source: William Blair. Data is from 1/1/22 to 12/31/22.

Principle 12: Exercising Rights and Responsibilities (continued)

EXHIBIT 19

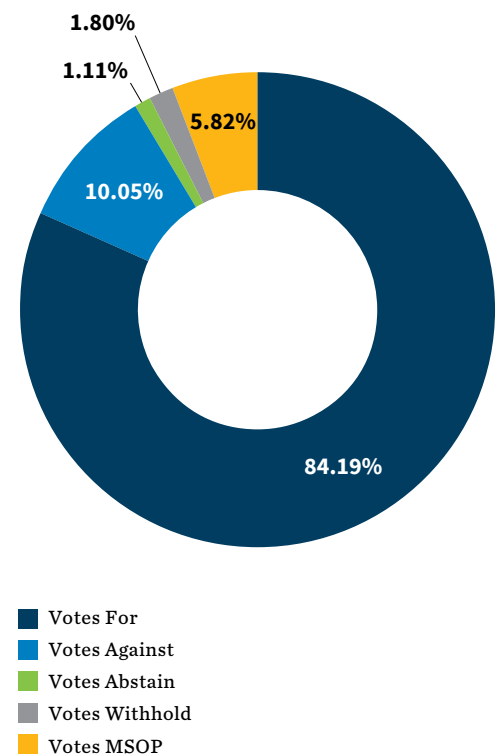
Proposal Overview

Proposal Overview

Category	Number	Percentage
Number of Votable Items	13,203	—
Number of Items Voted	13,103	99.24%
Number of Votes for	11,031	84.19%
Number of Votes Against	1,317	10.05%
Number of Votes Abstain	145	1.11%
Number of Votes Withhold	236	1.80%
Number of Votes on MSOP	762	5.82%
Number of Votes With Policy	13,090	99.90%
Number of Votes Against Policy	39	0.30%
Number of Votes With Management	11,660	88.99%
Number of Votes Against Management	1,830	13.97%
Number of Votes on Shareholder Proposals	404	3.08%

Source: William Blair, as of 12/31/2022.

Vote Cast Statistics



Principle 12: Exercising Rights and Responsibilities (continued)

EXHIBIT 20

Meetings Voted by Market

Market	Voted Meetings	Market	Voted Meetings
Australia	9	Kenya	1
Belgium	4	Luxembourg	6
Bermuda	6	Malaysia	3
Brazil	36	Mexico	10
Canada	15	Netherlands	13
Cayman Islands	29	New Zealand	3
Chile	12	Norway	1
China	147	Philippines	17
Denmark	11	Poland	2
Finland	3	Romania	3
France	13	Saudi Arabia	6
Germany	12	Singapore	4
Greece	2	South Africa	7
Guernsey	1	South Korea	21
Hong Kong	2	Spain	3
India	137	Sweden	26
Indonesia	8	Switzerland	16
Ireland	16	Taiwan	21
Israel	16	Thailand	6
Italy	9	USA	485
Japan	29	United Arab Emirates	2
Jersey	7	United Kingdom	40
Kazakhstan	3		

Source: William Blair, as of 12/31/2022.

Sustainability Considerations

As environmental and social issues are becoming more prominent areas of focus for our clients and shareholders more broadly, we believe that it is important to periodically review our proxy voting policy to ensure that it remains well aligned with our clients' objectives, along with our assessment of corporate risk and opportunities. In October 2018, William Blair Investment Management worked in tandem with ISS to adopt proxy voting guidelines that are focused on financial returns and are consistent with the objectives of sustainability-minded investors. Sustainability-minded investors are concerned with economic returns and with ESG principles that could materially affect future financial outcomes.

Corporate governance and the treatment of minority investors are of significant importance to us. Our

investment process takes into consideration issues that may affect stakeholders prior to our investing in a particular company. If we are not satisfied that the entity has placed relevant stakeholders' interests foremost in its thinking regarding its capital allocation and business practice decisions, then we will not invest.

Client-directed proxy preferences are reviewed by William Blair Investment Management to determine if voting requirements are addressed appropriately via the default sustainability voting policy. If required, William Blair Investment Management and ISS will also review the client guidelines to assess if another available ISS proxy policy will accommodate a client's voting mandate. Working with ISS, William Blair Investment Management also has the ability to create a custom proxy policy if required.

Principle 12: Exercising Rights and Responsibilities (continued)

Examples of Sustainability Voting

In addition to viewing our proxy policy, provided below are sustainability-oriented voting examples that occurred in 2022:

Toromont Industries Ltd. – 4/28/2022

Proposal 5: Reporting on Indigenous Community with Certified External Indigenous-Led Standards of Practice

In accordance with our sustainability voting policy, we voted in favor of the shareholder resolution at Toromont Industries Ltd. to report on policies and practices regarding Indigenous communities and the extent to which they compare to, or are certified by, external Indigenous-led standards of practice.

The company published its first Indigenous Engagement Report in 2021 where they disclose its approach to Indigenous relations, recruitment and advancement, and education on Indigenous reconciliation. The company also stated that “We measure our progress in enabling and promoting Indigenous employment, training and development both quantitatively and qualitatively. This includes identifying challenges that limit progress and developing long-term solutions in response to them. We have not implemented specific targets or timelines, because we believe that our current approach provides an appropriate balance in attracting and retaining well-qualified and talented individuals for the long-term success of the business and our key stakeholders, particularly as we continue to work to further develop and enhance our policies, programs and disclosures across a wide range of sustainability, diversity and inclusion matters.”

Toromont Industries Ltd. provides some disclosure around Indigenous relations, which is generally in line with peers. However additional disclosure on DE&I initiatives, related to Indigenous communities, would help shareholders to assess the company’s efforts in this area. For example, details of any programs and policies on Indigenous hiring, promotion, and retention would be beneficial in helping shareholders to understand associated opportunities and risks.

Builders FirstSource, Inc. – 6/14/2022

Proposal 4: Report on GHG Emissions Reduction Targets

In accordance with our sustainability voting policy, we voted in favor of the shareholder resolution at Builders FirstSource, Inc. asking the company to report on and adopt science-based greenhouse gas emissions reduction targets, including emissions from its full value chain.

The company took no position on this shareholder proposal and did respond that it plans to comply with the goals of the proposal. The board stated that the company is “strongly committed to meeting the challenges of reducing (its) greenhouse gas emissions.” Some steps have been taken by the company to increase its efficient energy use, and it plans to integrate zero emissions vehicles into its fleet.

While the company acknowledged that this shareholder proposal is worth implementing and they have several environmental initiatives in place, we are still supportive of advocating for setting emissions reduction targets as the company had no targets in place. We have the view that climate risk is a material financial risk. This being the case, it is important to understand how a company is managing this risk, including related goals.

Fixed-Income Responsibilities

Approach to Seeking Amendments to Terms and Conditions in Indentures or Contracts

The actual contractual terms of bonds are set at the stage of initial issuance and/or when they are restructured. Issuers invite bond holders to vote via a consent solicitation. This allows us to express our support for the proposed changes in the underlying terms and conditions of a bond. This is often an opportunity to engage with the issuer on key issues.

The emerging markets debt team participates in the issuance of securities on the primary market and on occasion in the restructuring process for new securities, whereby we provide input on the proposed terms and conditions. Where we have issues with the proposed wording and/or terms and conditions, we would provide feedback through the lead arrangers (investment banks). This includes, but is not limited to, the governing

Principle 12: Exercising Rights and Responsibilities (continued)

performance criteria on an array of policy issues. More broadly, in restructuring processes there is a common interest between creditors and the issuer for the restructuring process to be supported by a credible policy framework. These events offer a unique opportunity for fixed-income investors to engage with policy makers, international finance institutions, and other stakeholders on the policies that are likely to support the credibility of the restructuring process.

Approach to Seeking Access to Information Provided in Trust Deeds

We would ask the bank that underwrote the deal for these details. These details become more relevant the higher the credit risk.

Approach to Impairment Rights

With respect to possible haircuts in a restructuring process, this is negotiated via financial advisors. The issuer and creditors have an interest in ensuring strong governance.

Approach to Reviewing Prospectus and Transaction Documents

The prospectus and transaction documents are reviewed during the primary issuance process as the investment team is considering its participation in a new deal. The prospectus is also reviewed for purchases of securities in the secondary market. We use the information memorandum to assess the governing law, the potential inclusion of collective action clauses, use of proceeds, fundamental economic conditions, and risk factors.

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