STEWARDSHIP CODE 2021

CAMBRIDGE ASSOCIATES LIMITED

Reporting period: 1 January 2021 to December 31 2021

The UK Stewardship Code sets high stewardship standards for those investing money on behalf of UK asset owners. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Cambridge Associates does not take its position as one of the 70+ Signatories to the UK Stewardship Code lightly. In this year's report, we explore the many ways that our efforts to tackle the major issues facing our people and the planet have been ramped up. Most notably, in 2021, we committed our firm to the Net Zero Pledge because we know that a stable climate is also a priceless global public good.

Senior leaders from across our global offices were assigned formal stewardship duties and became Committee Chairs for industry initiatives focused on net zero and sustainable investing. These groups include the Net Zero Investment Consultants Initiative 'NZICI' and the Investment Consultants Sustainability Working Group 'ICSWG'.

As of 2021, all of our investment due diligence is conducted with an ESG lens as a formal part of our process – for all investment opportunities. Where managers are falling short on stewardship credentials, we are proactively working with them to improve their processes for the better good.

We also launched a podcast, '*Unseen Upside*', which explores our clients' journeys in sustainable and impact investing with the aim of encouraging the communities we operate in to know – and do – more. Topics included renewable energy, sustainable agriculture and clean technologies. The interviews highlight just how far along our firm is and we are proud to be advising the pioneers of the sustainable and diverse investing landscapes.

In spite of the many tools and resources we utilise across our client investment teams, our Research team and our industry partnerships, it is clear to us that there is still much work to be done. We are committed to applying pressure in our role as Signatories of the UK Stewardship Code to promote effective stewardship in all that we do.

In this report, I am proud to show the achievements of our team, its dedication, commitment and to share the results achieved over 2021 within the Cambridge Associates community and beyond.

Christopher Hunter
CEO, Cambridge Associates Limited

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Principle 1:

CONTEXT

OUR PURPOSE

Cambridge Associates ("CA") is an independent global investment advisory and management firm. We aim to help private clients, endowments and foundations, and pension plans implement and manage custom investment portfolios that generate outperformance, so they can maximize their impact on the world.

CA was formed in 1973 in Boston, Massachusetts, to provide investment research and advice to a group of major university endowments in the United States. Our client base expanded beyond university endowments, to healthcare foundations, pension funds and other institutions, along with a select group of private families. We now operate in six countries around the world; Australia, China, United Kingdom, Germany, Singapore, and the United States. We believe that putting resources on the ground in multiple financial hubs provides us with the greatest opportunity to uncover the best investments across all asset classes for our clients.

Our fundamental mission has remained unchanged: We strive to help long-term investors around the world to meet or exceed their investment objectives by providing proactive, independent and objective advice and portfolio management that is grounded in intensive and independent research. Unlike many other firms, we are not owned by or affiliated with any investment management firms, nor do we receive compensation from them. We invest heavily in understanding our clients - working with them to create customised portfolios.

Signatories should explain the purpose of the organisation, what services it offers, and an outline of its culture, values, business model and strategy

OUR SERVICES

CA delivers a range of investment advisory and portfolio management services, either on a total portfolio, single asset class or partial mandate basis to over 940 clients worldwide. Our combined assets under management and advisement as of 31 December 2021 was £447.6 billion.

Our full spectrum of services is detailed below:

- **Discretionary portfolio management** (Outsourced CIO). For clients who want to fully delegate portfolio management, our discretionary model replicates the best practices of leading in-house investment offices. We are responsible for portfolio strategy, implementation, day-to-day management, and operations.
- **Non-discretionary portfolio management**. For organisations who need an investment team to provide daily portfolio oversight but wish to stay involved in portfolio management decisions, we provide directive recommendations on asset allocation, portfolio structure, and manager selection. The client approves portfolio changes.

- **Staff Extension Services.** For organisations with significant investment staff, we augment their in-house resources flexibly with our manager networks and portfolio construction and asset class expertise.
- **Alternative Asset Mandates.** We have more than four decades of experience providing specialised investment advice, cultivating deep manager networks, and analysing robust data in private equity, hedge funds, real assets, private credit, secondaries, and co-investments. We manage specific alternative asset class mandates for clients on either a discretionary or a directive non-discretionary basis.

Fig 1. Who we serve

We're proud to help our clients achieve their specific investment objective, whether it's to educate more students, fund more grants, successfully fund their employees' retirements, or extend their legacy.	Endowments & Foundations We help colleges, universities, foundations, and other not-for-profit organizations generate outperformance so they can maximise their impact on the world.	Healthcare Systems We help healthcare systems invest their multiple, distinct asset pools by balancing investment return objectives and enterprise risks so that they can best serve the communities in which they operate.
Pensions We are a fiduciary partner to owners of complex asset and liability pools such as corporate, public, and union retirement plans, focused on maximizing results for each valuable unit of risk and capital.	Private Clients We forge deep partnerships and build custom portfolios designed to help individuals, families, and family offices grow their wealth and fulfill their personal goals.	Governments & Insurance We work with large international pools of capital, such as insurance companies and sovereign wealth funds, to deliver risk-appropriate investment solutions, create effective governance structures, and oversee alternative assets mandates.

As a global investment advisory firm, we aim to help our clients build customised, long-term investment portfolios that generate outperformance. We do this by researching and monitoring top third-party managers in a rigorous and independent process and using our market coverage and due diligence to build bespoke portfolios for our clients. Indeed, as an independent firm we focus on total alignment with our clients' objectives in all the work we do.

Customising our work to each client's unique objectives, in alignment with their mission, inherently results in more effective stewardship. Cambridge Associates' business model means that our sole focus is to do what is right for each individual client.

By working with Cambridge clients have the asset allocation and manager selections that best fits their needs. This means that our clients can build deep investment partnerships with the asset managers they hire, this becomes a virtuous cycle as it allows the asset managers to be better stewards of capital on our clients' behalf.

OUR VALUES

Cambridge Associates is committed to creating a unique, global culture that supports the experience of our entire community, with the following values present in all that we do:

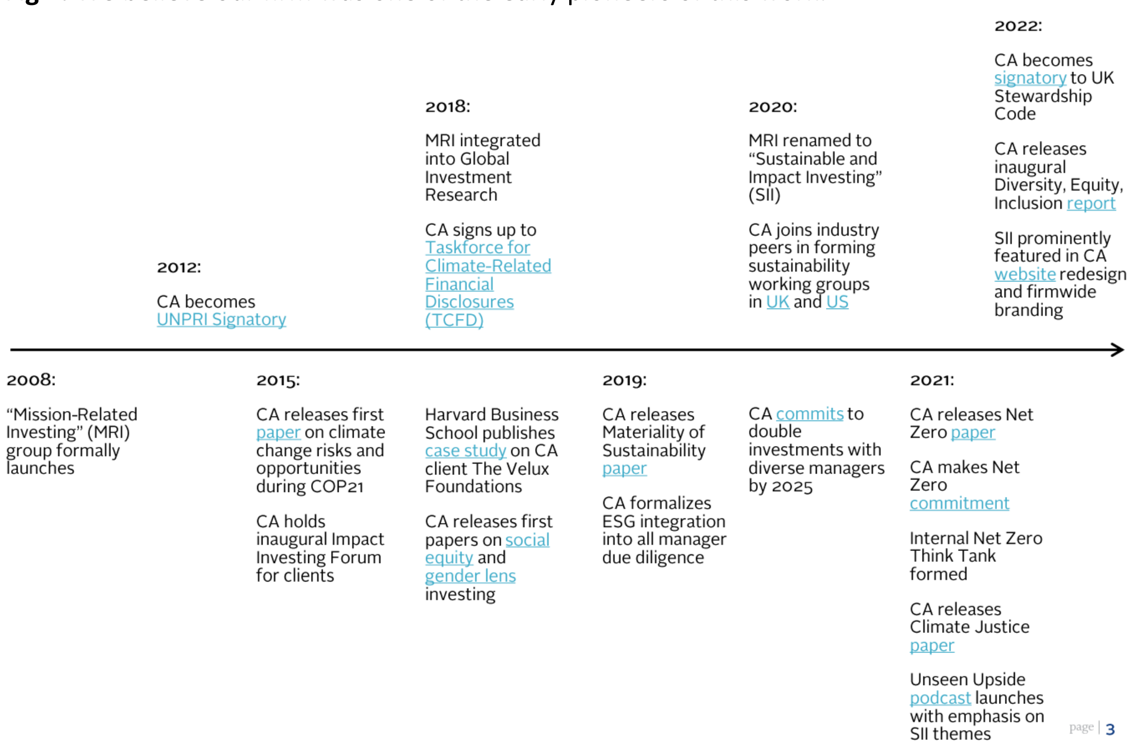
- **Clients First:** We strive to always act in the interest of our clients
- **Own It:** We strive to hold ourselves accountable to our clients and to each other
- **Be Bold:** We strive to learn and innovate every day
- **Collaboration Wins:** We strive to bring together diverse perspectives to best serve our clients and our firm
- **Seek Truth**: We strive to be transparent and authentic. We strive to listen to and learn from each other.
- **Kindness Matters**: We strive to care for and encourage one another. We strive to appreciate each other's contributions.

OUR CULTURE & STRATEGY

We never forget that the better we do for our clients, the deeper an impact they can have on their philanthropic endeavours, their success in meeting pensioners' obligations, and their personal legacies. We are committed to helping our clients maximise that impact with portfolios that are calibrated to their specific investment objectives and risk tolerances. Culturally, we believe that effective stewardship of capital *is* investing.

Promoting this effective stewardship is central in all of our work. Sustainable and Impact Investing team members are embedded in Cambridge Associates' global research platform. These teams source and evaluate sustainability, impact, and manager diversity across all asset classes. We include environmental, social, and governance (ESG) and diversity considerations for all investments that go through our rigorous diligence process.

Fig 2. We believe our firm was one of the early pioneers of this work:

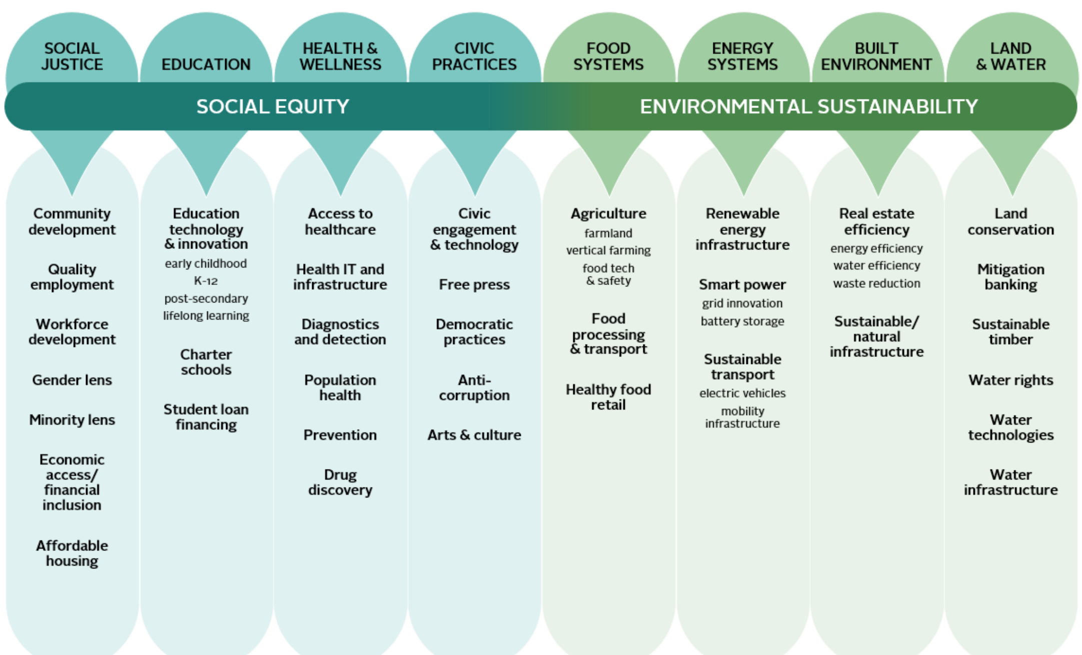


We recognise that stewardship requires combining multiple pillars of work, from corporate social responsibility through to effective integration of ESG and DEI (diversity, equity and inclusion) in our client wok.

Fig 3. Several interconnected pillars for promoting effective stewardship in our client work

We recognise that material 'good stewardship' factors can impact the performance of investments and view ESG considerations as being integral to the future of investing, for risk management, long-term value creation, and alignment with a client's own values. For every client that utilizes our firm for sustainable or impact investing, we explore the themes that are most impactful to them as an individual or institution.

Fig 4. Stewardship factors/themes we explore with clients



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Principle 1:

ACTIVITY

Signatories should explain what actions they have taken to ensure their strategy and culture enable them to promote effective stewardship

ACTIVITIES OVER 2021

Net Zero Pledge
We have made a commitment to support our clients in targeting the real-world reduction of greenhouse gas emissions to net zero by 2050 or sooner, both for their portfolios and the economy at large. We formalised this commitment in September 2021 by signing the Net Zero Pledge in collaboration with eleven of our industry peers. We understand that finding a feasible societal path to Net Zero needs "systems thinking" that recognises social justice considerations so that the transition is a just one. In Section 4, we provide further insight on what this means for how we deliver our investment services and what the commitment means for the market and our clients.

Climate change will be one of the most critical global issues for at least the next several decades. It is giving rise to new risks and opportunities that long-term investors will need to account for in investment decision making. We aim to lead the industry with new ideas, tools, and data to navigate this new landscape as it evolves.

Senior UK Partner is the Co-Chair of the Net Zero Investment Consultants Initiative ('NZICI')
Simon Hallett, who used to lead the firm's Endowment & Foundation practice turned his full attention to Climate Change and Net Zero within the firm in 2021. Simon also lends his expertise in this area to the industry initiative, NZICI, which operates under the United Nations Principles for Responsible Investment. The NZICI sets out actions that investment advisers will take to support the goal of global net-zero greenhouse gas emissions by 2050 or sooner, in the context of legal and fiduciary duties and specific client mandates.

Helped other GFANZ members create robust Climate Action Plans
The Glasgow Financial Alliance for Net Zero ('GFANZ') is a global coalition of leading financial institutions committed to accelerating the decarbonization of the economy. Simon Hallett is an active member of GFANZ, and over the course of 2021, has helped to provide practical advice on how investors can operationalise and report on progress against net zero goals across the institutional investment chain and create Climate Action Plans to implement these commitments across their businesses.

Signed up to the Investment Consultants Sustainability Working Group ('ICSWG') US
After the UK office becoming a founding member of the ICSWG UK in 2020, our colleagues in the USA signed up to the ICSWG US in 2021. Annachiara Marcandalli, a partner of the firm, serves on the ICSWG Steering Committee and is the liaison between both groups. Annachiara Marcandalli also serves on the NZICI committee. CA Limited has now two partners actively engaged in collaboration with peers, clients, managers and policy makers to promote Net Zero.

Assessment of Managers via a formal ESG due diligence questionnaire
In 2021, we created a formal "ESG due diligence questionnaire" which is sent to all managers across all asset classes as a formal part of our research process. This was first introduced in 2018, piloted in 2020 and formalized as a requirement in 2021. Every due diligence report we create for clients includes ESG assessment, covering the approach to issues like ESG metrics and climate risk as well as how risks are considered by the manager - e.g. consideration of third party ESG data, Sustainable Development Goals ('SDG') alignment, industry codes and

standards like the Financial Services Council ('FSC'), Global Real Estate Sustainability Benchmark ('GRESB') or the Task Force on Climate-related Financial Disclosures ('TCFD').

For climate risk, our process includes an assessment of carbon emissions, exposure to fossil fuels, climate scenario analysis and water and waste intensity and risks. It also focusses on any and all stewardship activities which may mitigate risks. Diversity, equity and inclusion was made a requirement in this questionnaire in 2022.

Further carbon reduction initiatives across all offices
In 2021, we have further enhanced our carbon reduction plan, with the goal of reducing our global carbon footprint by 33% in 2025. This project started in 2019 with a carbon assessment. Using the learnings from this, in 2021, we established policies to ensure we meet the objective. We have achieved carbon neutral certification across all our firm's global office in line with PA 2060 specifications. We will be reviewing our carbon offsetting annually to ensure that they continue to be of the highest standard.

Mandatory Sustainability and Impact Investing training for all investment staff
In Q4 2021, we launched a Sustainable and Impact Investing Bootcamp Training for all European Investment and Research staff. The training was mandatory. The training module has now been rolled out globally in 2022 (after this reporting period) to ensure that all global investment staff have a minimum standard of knowledge and expertise. The sessions included: **Setting a Sustainable Policy; Carbon Reporting and Net Zero Managers Sustainability Analysis and Engagement; and Portfolio Sustainability Analysis (MSCI and more).**

Hired a Head of Diversity
In 2021, the firm appointed Melinda Wright as Global Head of Diversity, Equity, and Inclusion (DEI). In this newly established role, Wright works alongside Cambridge's leadership to increase the organisation's diverse representation both internally and industry-wide, drive the firm's agenda on talent planning and leadership development, and further integrate the organisation's DEI work across the business. She reports to the firm's Chief Executive Officer, David Druley, as a member of the Executive Leadership Team. Deeply committed to closing the opportunity gap, Wright brings years of experience as an educator, lawyer and diversity strategist to the organisation.

Ongoing diversity training and recruitment focus
We have made significant progress in diversifying our talent pipeline through active partnerships with SEO London, 10000 Black Interns and Investment 2020. We have run annual in-house events for young women interested in investment management, which have been well-attended and led to successful recruitment outcomes. To support our focus on developing a truly inclusive workplace, we have participated in the workplace indices run by Stonewall UK and the Social Mobility Foundation. The resultant feedback reports and recommendations are guiding work underway to increase LGBT+ and socio-economic diversity respectively. We have been active members in a government-commissioned Taskforce, set up to improve socio-economic diversity at senior levels in the UK's financial services sector since 2021.

CASE STUDY[1] FOR HOW WE SERVE THE BEST INTEREST OF CLIENTS

1

Principle 1:

CASE STUDY

Signatories' purpose, strategy and culture enable them to promote effective stewardship

The Hahn family's wealth, which originated in manufacturing four generations ago, is today overseen by Wilson, the current family patriarch, and supported by a family office staff of two investment professionals. The family members themselves have minimal investment experience.

Client Brief:

- **Client**: Hahn family
- **Source of wealth**: Manufacturing (inherited wealth)
- **Situation**: Family members with distinct and differing portfolio requirements
- **CA relationship**: Non-discretionary

The family's assets were invested across four portfolios—one for the parents, one each for the two children, and one for the family foundation—and the respective "owners" had differing investment preferences, especially as related to Sustainable and Impact Investing (SII)[2]. Given the family's stature within its industry, investment opportunities often were presented to them, but many were not of institutional quality. Assessing them thoroughly was challenging for the family's investment staff, a process made even more difficult by the varying portfolio interests of each family member.

One of the sons, Charlie, and his wife, Anne, were especially interested in incorporating SII into their portfolio. Charlie had previously met Melissa Jones, an investment director within Cambridge Associates' (CA's) SII team and reached out to her to learn more about the firm's capabilities.

Client Needs: While Charlie and Anne's environmental and social interests were the catalyst, the other family members joined the initial conversations with CA, as they recognized that their diverse needs were straining the resources of their family office. Collectively, the family sought:

- Expertise in sustainability ('SII');
- Institutional-quality investment ideas and experienced investment specialists across all asset classes who could source and thoroughly evaluate opportunities;
- Ability to customize portfolios to reflect each underlying asset owner's goals and priorities; and
- Ability to make and implement investment decisions in coordination with family office staff.

Solution: Melissa introduced the Hahn family and the family office to Jane, an investment director within CA's Private Client Practice, so that, in addition to SII expertise, the family's investment team included family investing experience. In discovery conversations with the Hahn family, Jane and her team learned about each family member's goals. These input sessions included a full Family Enterprise Review, which enabled the CA team to gain a complete sense of the key issues that would inform investment policy setting and, later, implementation. This included reviewing the family financial ecosystem, long-term goals and intentions, spending needs and cash flow patterns, return objectives, risk and volatility guidelines[3].

For the portfolios where SII would be incorporated, these intake sessions also included asking about each portfolio owner's purpose, priorities, and principles—the "three Ps" CA employs to help define the why, what, and how of each investor's unique SII portfolio. With Charlie and Anne,

[1] This narrative has been fictionalized to ensure anonymity, but is based on actual client work.
2 Sustainable and Impact Investing (SII) incorporates environmental, social, and governance (ESG) investments as well as impact investments.
3 For more information on Cambridge Associates' Family Enterprise Review, refer to Portfolio Construction: A Blueprint for Private Families.

for example, this involved learning about their motivations, the values they wanted to advance through their investments, and their risk appetite and return objectives. Through these discussions, Charlie and Anne expressed their principle of avoiding investments that "harmed the world," outlined their specific views on areas such as pharmaceuticals, animal testing, and sustainability, and expressed their return expectations. CA used this valuable input to formulate the couple's investment strategy and policy framework and, subsequently, to identify specific investment opportunities. The parents, their second son, Brian, and the collective family on behalf of the foundation experienced a similar discovery process with CA. The work was supported by CA's Global Investment Research team —including its dedicated Sustainable and Impact Investing team of more than 12 professionals and its Private Investing team of more than 100 professionals[4] — to find ideas that aligned best to what individuals within the family needed.

Following the research and discovery process, it was decided that Charlie and Anne's portfolio, as well as that of the family foundation, would be managed as fully sustainable portfolios, so all investments needed to meet sustainable criteria. The parents' portfolio would instead adopt an "opportunistic" approach of incorporating sustainable or impact allocations when they appeared the most attractive, creating a hybrid portfolio with the portfolio that did not incorporate sustainability in every investment. As Brian did not feel strongly about sustainability/impact, he retained a diversified portfolio that intentionally did not incorporate these investments[5]. Over the next three years, the CA investment team worked to build out each of the family's portfolios. The family office oversaw portfolio execution, given the non-discretionary relationship, so Jane and Melissa worked closely with them in sharing manager diligence and recommendations, as well as overall portfolio allocations.

Case study outcome

Given the family office's limited resources, Charlie, Anne, and Brian had thought that they would have to accept the parents' approach to investing. Talking with CA made them realize that, with CA's help, their individual preferences could be incorporated in their respective portfolios while all family members could benefit from the investment resources of CA's global platform, and the Hahn family office could receive much-needed support. The family is happy that each member's preferences and goals are reflected in their individual portfolios, and that they are able to access high-quality investment opportunities that have been subject to detailed due diligence. Now that Charlie, Anne, and Brian feel they have more control and influence over their portfolio strategy, they have become more engaged in investing and more understanding of the decisions made for their individual portfolios. Through this process, the parents have gained confidence in their children's investment knowledge and, thus, in their ability to steward the family's wealth in the future.

1

Principle 1:

OUTCOME

Signatories should disclose an assessment of how effective they have been in serving the

ASSESSMENT

We believe there are two ways of assessing our effectiveness in serving the best interests of our clients. The first measure is our client retention rate, coupled with the long-term nature of our relationships with them. Our retention rate over the last five years has been well over 94%[6]. On average, our clients have a tenure of 15 years. While client retention rates will not always correlate with client satisfaction, we are extremely proud of our client tenure and we believe high retention rates help us to serve our clients' best interests as their needs evolve.

The long-term nature of our engagements, coupled with a high retention rate, in our view, indicates that our firm has been effective in meeting their needs over time.

[4] Data as at December 31 2021

[5] Note: Cambridge Associates' global research and investment teams look at all investment opportunities through the lens of sustainability and impact, not just for managers who have self-selected as ESG or impact.

[6] Client retention does not necessarily indicate client satisfaction and should not be viewed as an endorsement of Cambridge Associates' services."

best interests of clients.

The second measure revolves around alignment with our clients. In this respect, CA's alignment is at the heart of our business model. We have only one line of business: the revenue that we receive from the advice that we provide our clients. Our continued success is fully dependent on our clients' success in meeting their investment objectives. Alignment also means leading by example, i.e. practicing internally what we preach. This year, we have made significant investments across the board, spanning from work on the composition of our workforce (i.e, Hiring Global Head of Diversity), in our collaboration with peers (i.e. NZICI, Net Zero etc) and in embedding sustainability practices across the firm (i.e. training programmes).

2

Principle 2:

ACTIVITY

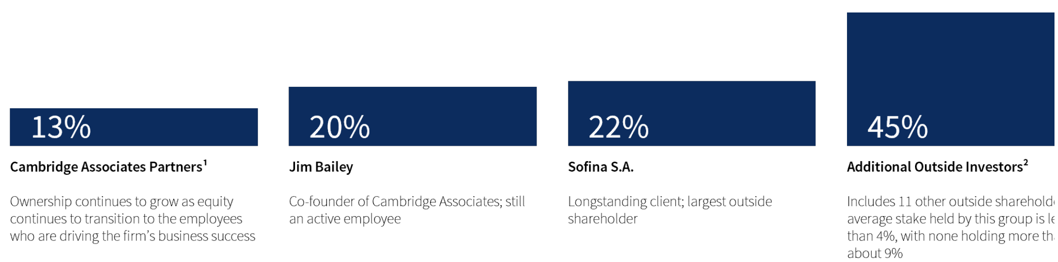
Signatories' governance, workforce, resources and incentives enable them to promote effective stewardship

GOVERNANCE

Our unique ownership structure has always combined employee and long-term client ownership; we have never participated in any mergers or acquisitions. We remain fully focused on generating outstanding investment results for all our clients by implementing and managing custom investment portfolios with the goal of generating outperformance relative to each client's specific investment objectives.

Our firm is and has always been independent and privately held. This ownership model underscores our commitment to a culture of independence and our dedication to remaining uncompromised by conflicts. All owners of the firm are minority shareholders, with no single owner holding a controlling interest in the firm. As the chart below shows, the owners of our firm are either clients or employees which ensures that there is a strong alignment of interest. Such an alignment of interest promotes effective stewardship because everyone is working towards a shared goal. Below, we provide our firm's ownership structure chart:

Fig.5 Ownership structure of Cambridge Associates[7]



1 Includes a combination of direct equity as well as profits interests and long-term option programs for senior employees responsible for the firm's business results. Profit distribution will increase as grants are made to senior leaders on an ongoing basis, further aligning incentives with firm performance.
2 Includes 11 other outside shareholders, all clients of the firm; the average stake held by this group is 4%, with none holding more than 10%. Includes a small equity stake held by the non-executive chair of the firm's Board of Managers.

We are highly aware that effective stewardship comes from stable and strong governance. We believe our unique ownership structure allows us to invest for the long term, and over time, transition more equity to employees who are driving the success of the business. This ownership model creates a balanced and effective governance structure and underscores our commitment to a culture of independence.

Our firm's governance structure and independent business model allows us to be agile in response to the fast-changing needs of our clients as they relate to stewardship. It is our privilege to work with clients across the globe who are facing up to the role they play in the investment industry and their impact on the future of our society and environment. In the remainder of this section, we

7 Data as at December 31 2021.

show the substantial teams and resources we have dedicated to the key elements of stewardship: people; economy and environment.

Signatories should explain how they have appropriately resourced stewardship activities, including their chosen organisational and workforce structure(s)

WORKFORCE

We believe that the best way to ensure effective stewardship in our investment process is to make sustainability and diversity a mandatory part of our firm's investment research process. To this end, these teams represent key pillars within our investment research team. Our commitment to sustainability and diversity to promote effective stewardship is driven by the most senior members of our firm, via our Leadership Team and also the firm's Board.

In addition, we have two councils who provide leadership on Sustainable and Impact Investing as well as Diversity, Equity and Inclusion, comprised of senior leaders from both investment research and those working directly with clients.

Employee DEI Metrics[8]

We invited all staff to take part in a diversity survey to gain a better sense of our firm's global diversity metrics. Data gathered from this exercise helped to inform our recruiting process and ensure that key pillars of stewardship, promoting a healthy environment, economy and a commitment to bettering society. Our 2021 inaugural DEI report highlights the following:

56% of Cambridge Associates Senior Management team are women.

27% of Cambridge Associates employees ethnically diverse.

48% of Cambridge Associates new hires identify as diverse.

Employee Resource Groups

We have three Employee Resource Groups that are focused on supporting a culture of inclusivity and further advancing the firm's ability to attract and retain top talent and deliver superior performance and world class service for our clients:

CA Pride. CA Pride is dedicated to representing LGBTQ+ employees.

CA Mosaic. CA Mosaic is dedicated to representing ethnically diverse colleagues.

CA Women. CA Women is dedicated to building a productive and supportive network that empowers women.

CA MOSAIC
ETHNIC DIVERSITY & BELONGING

CA PRIDE
LGBTQ+ EQUALITY & ADVOCACY

CA WOMEN
GENDER EQUITY & EMPOWERMENT

Sustainable and Impact Investing Council

We have had a Council dedicated to Sustainable and Impact Investing (SII) since 2008 – it is a global team composed of investment researchers and investment team leads. This team has played a vital role in developing responsible investment and ESG integration policies for our clients and for implementing procedures for our staff across the globe, informing our firm's strategy and vision on sustainability and impact based on evaluations of the market environment and client needs. It is now structured as a fully integrated resource and governance function of the core Global Investment Research team. The Council is led by three

[8] All percentage data as at June 30 2021 and is for US-based employees only. UK data collection took place after this reporting period.

partners of the firm. Annachiara Marcandalli, one of our Partners in the UK has been part of the Council leadership team for over three years, as we believe that seeing stewardship issues from a global perspective allows for the greatest insight. Oversight of ESG integration and stewardship therefore comes directly from our firm leadership and reflects our belief that the materiality and relevance of this function has direct relevance to our firm and clients.

Globally, our Sustainability and Impact (SII) research team is headed by Liqian Ma, a Managing Director in our Boston office and Partner in the firm. Liqian is part of the research leadership team and reports directly on SII matters to the Global Head of Research, Ashby Hatch. Our SII research team serves as a knowledge centre and cultivates our intellectual capital across a wide range of SII topics that colleagues may encounter when working with clients. Importantly, our SII team is integrated into our main investment research function to ensure systematic inclusion of stewardship in investment decisions.

Signatories should explain how they have appropriately resourced stewardship, including their seniority, experience, qualification(s), training and diversity.

Senior Sustainability and Impact Investing Research Team

Senior members of our SII and Diverse Manager Research Team contribute to improvements in stewardship within CA. Please find below a list of Directors on this team, with their titles and locations:

- Liqian Ma, Head of Sustainable & Impact Investing, Managing Director, Boston, USA
- Theresa Hajer, Managing Director, Boston, USA
- JP Gibbons, Senior Director, Arlington Fairfax, USA
- Jasmine Richards, Managing Director, Boston, USA (Promoted Q1 2022)
- Di Tang, Senior Director, San Francisco, USA
- Chavon Sutton, Senior Director, New York, USA
- Sarah Edwards, Senior Director, Boston, USA (Promoted Q1 2022)
- Lydia Guett, Director, London, UK
- David Gowenlock, Director, London, UK (Hired Q2 2022)
- Marie Ang, Director, London, UK (Hired Q3 2021)
- Madeline Clark, Director, Arlington, CA (Promoted Q1 2022)

Diversity Council

In 2021, we hired a Head of Diversity, Equity and Inclusion, Melinda Wright and created a Diversity Council. Our Global Diversity Council reflects a balanced representation of colleagues around the globe. The Council ensures that our overall DEI strategy is aligned with our business, creates our DEI goals and metrics, monitors strategy execution and outcomes, and reports our overall DEI progress to the firm.

Senior, Dedicated DEI Professionals

- Melinda Wright, Head of Diversity, Equity & Inclusion, Boston USA
- Jasmine Richards, Head of Diverse Manager Research, Boston USA
- Alison Proud, DEI Manager, London, UK (promoted to this role in 2022)

Signatories should explain how they have appropriately resourced stewardship, including their investment in systems, processes, research and analysis.

IT SYSTEMS INVESTMENTS IN 2021

Manager level data and analysis:

- We first began collecting data on managers through our ESG and Diversity Questionnaire in late 2018 and have since had multiple campaigns to increase manager responses. This pillar was the primary focus in 2021 due to a need to find a new service provider for the data collection. We launched the new service provider, Diligence Vault, in early December 2021.
- Coinciding with the improved data collection platform, our IT department automated the process of bringing this data into Cambridge Associates team and launched an internal user interface (UI) tool for viewing ESG and Diversity data in Q1 2021. This platform allows us to view responses to the Questionnaire for the purposes of due diligence and client analysis. This is an improvement from the approach taken up to 2021 which was a much more manual exercise.
- In addition to the new UI tool, select data points from the Questionnaire are integrated into our firm's proprietary research and portfolio analysis platforms.

Holdings level data and analysis:

- While the Questionnaire data provides valuable insights on the inputs to a manager's investment process, detailed analysis of holdings-level data is necessary to understand the outputs in the portfolio.
- For Marketable strategies, we utilise the ESG tool from MSCI to measure a range of factors including carbon intensity, exposure to controversy, board diversity, and environmental and social impact. Before 2021, assessment required a manual process of requesting holdings from the manager, running through the MSCI tool, and building a customised portfolio summary.
- Our firm's Investment Science team led a project to help automate the collection of holdings and associated ESG and Diversity factors in 2021, utilising our growing relationship with eVestment. At the time of writing this report, we are still working on how best to automate this process, as we need increased manager coverage for holdings in eVestment, but we have made progress during this reporting period.
- The goal for 2022 is to fully automate holdings level collection for public equities and integrate a set of factors into our proprietary system, Portfolio Workbench. We intend to include this level of detail for hedge funds and fixed income managers but may use sector proxies where holdings transparency is limited.
- For private Investments, due to limited availability of private company data, we are utilising proxy data to estimate carbon emissions in private portfolios. This will be integrated into the iLevel platform in Q1 2022. We will continue to assess ESG data providers for private investments as more come to market, and in the meantime, we will rely on public market industry group proxies.

Reporting to Clients:

- Reporting ESG and Diversity analysis to clients requires a combination of inputs (manager level) and outputs (holdings level) data. We have created an Excel based dashboard for interim use by client teams while the piping is built to our internal systems.

- Our goal is to roll out an ESG and Diversity dashboard in Portfolio Workbench in 2022 for client reporting. The initial version of this dashboard will rely heavily on manager-level data and in phase two we will incorporate holdings level analysis. A priority will be placed on data needed for Net Zero portfolio measurement.

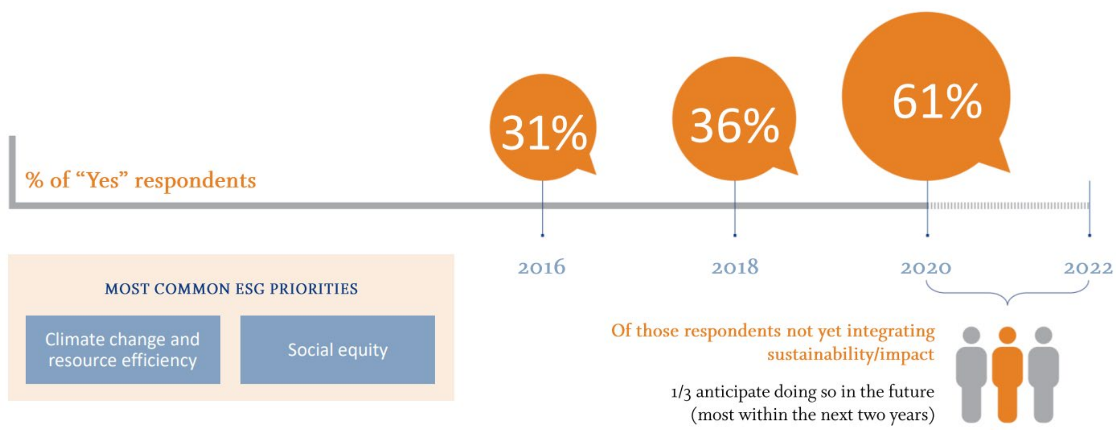
INTEGRATED PLATFORM TO ACHIEVE STEWARDSHIP GOALS

In 2021, we improved the collaboration and integration of our core teams: Investment Research (manager research and due diligence) and Investment Teams. The combined team has deep portfolio management and investment research capabilities and continues to grow as the passion for investing in sustainable ways grows alongside engagement from our clients and the industry more broadly.

We have dedicated leaders on sustainability and impact covering both the research and client servicing teams, four are Partners of the firm and one is the firm's Chair Emeritus. Two of the partners are based in the UK.

In our Sustainability and Impact Client Survey, which we run every two years, when asked whether stewardship factors are integrated into investment decisions, the number of clients responding with a "Yes" had nearly doubled since the previous survey. The two most common priorities pursued by our clients are Social Equity and Climate Change. Importantly of the clients who are not integrating sustainability/impact one third anticipate doing so in the future.

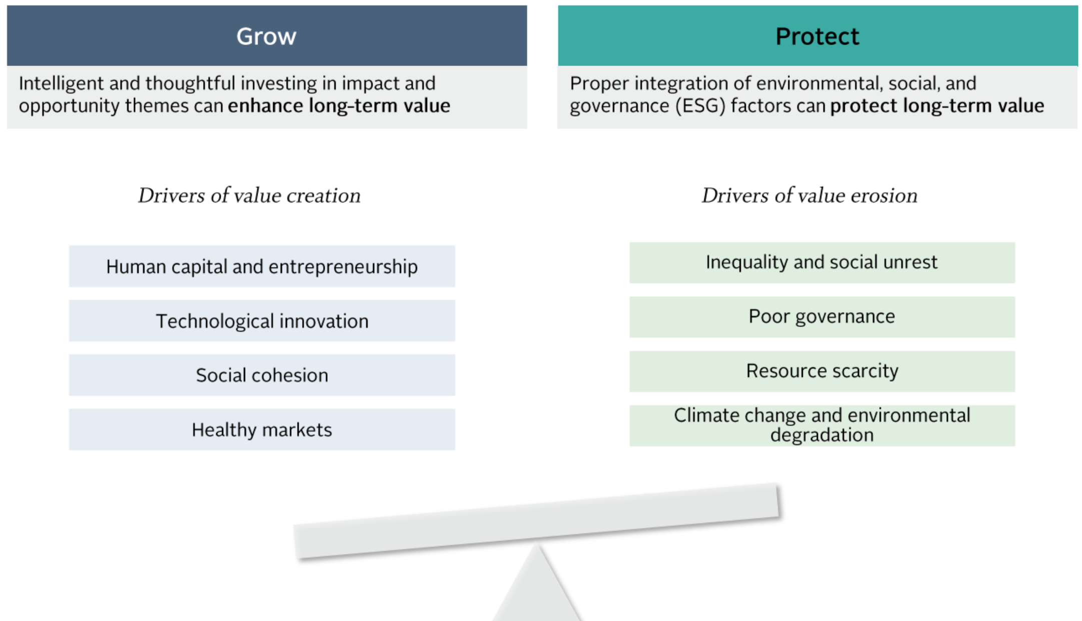
Fig 6. Survey Responses



We have responded to this need by both upgrading our research process and training our investment professionals. As mentioned above 100% of our European investment staff participated in training in 2021.

We now build environmental, social, and governance (ESG) and diversity, equity and inclusion ('DEI') factors throughout all of our firm-wide research platform across asset classes. The feedback provided by the FRC on our 2020 UK Stewardship Code Report has encouraged us to continue to improve our processes to ensure efficiency and effectiveness leading to the best outcomes for our clients, in alignment with best stewardship practices.

Fig 7. Tipping the scale to promote stewardship drives value creation



RESOURCES: ENVIRONMENTAL FOCUS

Our dedicated Sustainable and Impact Investing (SII) Research Team is core to the provision of stewardship and ESG services. Across our global organisation we serve more than 400 clients exploring or actively pursuing some form of environmental or social impact[9]. We have built environmental, social, and governance (ESG) factors into our firm-wide research platform and continue to monitor and amend our processes to ensure efficiency and effectiveness leading to the best outcomes for our clients, in alignment with best stewardship practices.

Our process provides clients with a rich set of investment opportunities with managers aligned with their stewardship objectives. In 2021, our Sustainable and Impact Investing team attended over 300[10] manager meetings with strong ESG, impact and diversity attributes across all asset classes and completed new diligence reports on 10% of these. CA's investment research is thoroughly vetted in a governance structure emphasizing robust peer reviews, with final assessments by investment committees comprised of asset class experts from our offices around the world. Our investment diligence is complemented by a separate team that carries out operational and business risk assessment of managers.

[9] Data as of June 30, 2021.
[10] Data as at Dec 31 2021.

Signatories should explain how the quality and accuracy of their services have promoted effective stewardship.

Fig 8. ESG due diligence process to ensure quality and accuracy

Stewardship is fully integrated into our manager research process, shown in the funnel above, and we assess managers' credentials as a formal and early step in the research process. Our detailed due diligence questionnaires on ESG, Stewardship and Diversity, which are adapted for different asset classes, were materially enhanced in 2021 to expand analysis of how managers consider specific climate change risk metrics.

ESG Data and Reporting Tools

We capture data on details relating to ESG integration, stewardship policy and outcomes, voting data and transparency. For voting specifically, we do not hold listed equities directly, therefore our approach focusses on the assessment of managers voting policies and track records where we seek to gain comfort with their approach and alignment to strategy.
For private investments, we consider how ESG initiatives are directly supported in underlying holdings. This is delivered during diligence and monitoring of investment managers on a web-based platform that also collects appropriate supporting documents covering policy and reports on outcomes. All new, final due diligence reports incorporate stewardship and ESG considerations.

Effective stewardship comes not only from policies and processes but through the responsible allocation of capital. We therefore also assess the sustainability of underlying holdings of managers (when available) and client portfolios with a variety of internal and external tools. Some of the service providers we use include eVestment, Factset, and the full suite of MSCI ESG and carbon and climate tools. Sustainable impact tools allow us to assess client portfolio exposure to key social and environmental impact solutions.

We have continued to systematise climate risk considerations across our entire platform during the reporting period. Our bespoke grading systems for all of our clients grades two things: first, the manager and their activities (how well they are integrating sustainability, stewardship, voting, etc) and second, the analysis of underlying positions, using external tools. We tailor this analysis to each specific client's requirements.

We also continue to support our clients on navigating additional, important reporting and transparency requirements (e.g. Task Force on Climate-Related Financial Disclosures (TCFD) reporting, new Sustainable Finance Disclosure Regulations (SFDR), net zero frameworks).

RESOURCES: SOCIETAL FOCUS

Cambridge Associates is committed to having a measurable and sustainable impact on the future development of our people, our organisation, our industry, and the global community. Embedded in our Corporate Social Responsibility Statement is a focus on ensuring that people with diverse backgrounds, ethnicities, and life experiences join, and then thrive in our firm and our industry. We accomplish this, in part, through our Diversity, Equity, and Inclusion (DEI) strategy, which consists of four primary efforts:

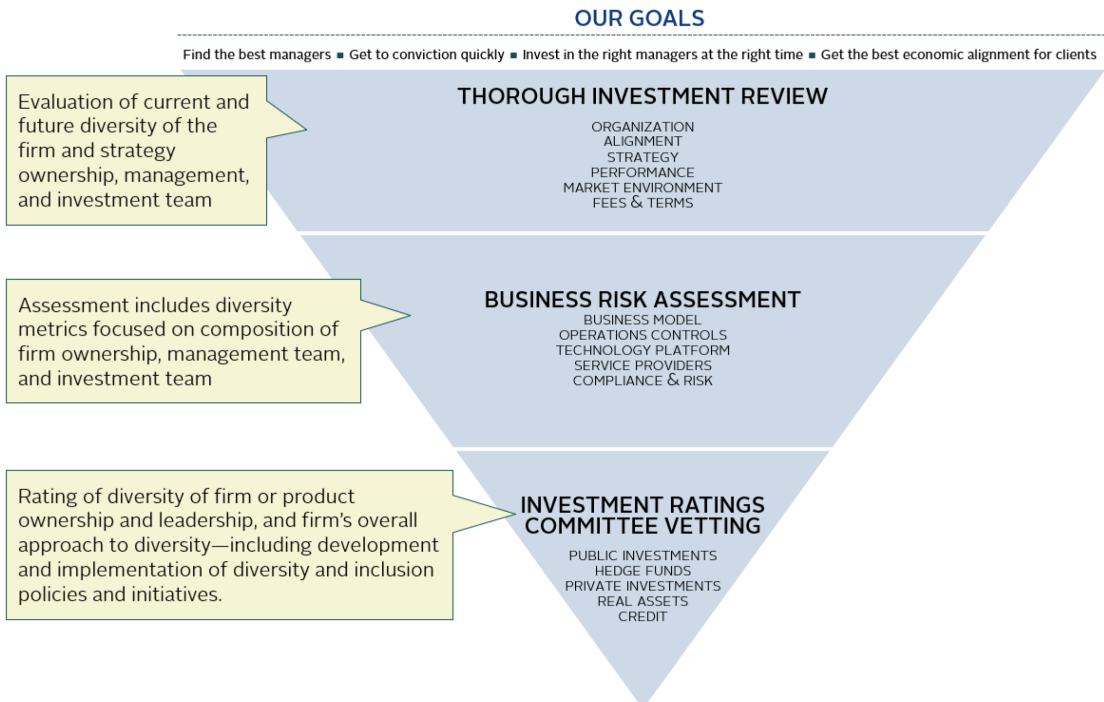
- We seek to build a more diverse workforce; not only because the best talent is found in the broadest pool of candidates, or because of conclusive evidence that diverse teams lead to better outcomes—but also because it is simply the right thing to do.
- We seek to elevate our culture, support and empower every employee, encourage dialogue, and inspire each colleague to act to create the community we want.
- We seek to lead in the industry to effect change by contributing to industry alliances focused on creating awareness and increasing opportunity, and we use our leverage to insist that managers and other industry partners do the same.
- We use our standing in the industry to promote the investment of capital in an equitable manner, including to best-in-class underrepresented managers who may not otherwise get the opportunity they deserve.

Cambridge Associates goals for diversity, equity, and inclusion at the firm for 2021 and beyond:

We focus on getting the right managers within our investment pipeline and applying an equitable underwriting process to those managers. Our dedicated Diverse Manager Research team is embedded in our global research platform. They source and evaluate diverse managers and funds across asset classes.

We also include diversity considerations in every step of our due diligence process. Our ratings committees across asset classes examine the diversity of the fund's ownership and leadership team, as well as the organisation's overall approach to diversity, as integral components of the fund's evaluation for investment.

Fig 9. Ensuring quality and accuracy for diversity, equity and inclusion



STAFF TRAINING

We have implemented stewardship training globally across the firm. This training is overseen by the Councils we described in the section before, which is tasked with the dissemination of ESG/DEI knowledge across the firm. This includes:

- Mandatory Sustainability and Impact Training for all European staff which completed in 2021/Q1 2022 as an 'SII Bootcamp';
- Mandatory Diversity, Equity and Inclusion (DEI) education and training;
- Respectful workplace and behavior training; and
- Carbon foot-printing and climate scenario analysis sessions.

We consistently review and, if needed, update our policies and benefits to ensure they reflect our broad commitment to diversity, equity, and inclusion.

INCENTIVES

All investment staff in Europe have now been trained in the key sustainability and impact investing need-to-knows. Staff are encouraged to join industry working groups and to speak at conferences on stewardship issues. Following the tragic death of one of our European leaders in ESG integration, we created the Chris Varco Sustainability Award. This award will recognise Cambridge Associates employees who are taking action that drives positive outcomes for climate change. Recognised efforts need not be large-scale, but rather something that moves the needle beyond the current course of momentum

Examples:

- Someone who develops innovative solutions to help client teams better integrate ESG analysis in their decision making;
- Someone who changes the way we create waste in the office to lower our carbon footprint;
- Someone who finds innovative climate solutions managers and successfully drives client capital to them;
- Someone who helps a client understand the benefits of SII integration; or
- Someone who inspires others to walk to work instead of driving.

The winner receives a personalised trophy and $5000 USD. An additional $5000 USD will be donated to a climate organisation in Chris' name, as selected by the SII Council.

Cambridge Associates standard remuneration package consists of a base salary and comprehensive benefits package. Staff compensation is based on many factors including: client performance, client satisfaction and contribution to the overall firm – effective stewardship is embedded in the work we do, so it underpins all these factors. In 2021, and all years going forward, all Directors were asked to incorporate a sustainability and diversity goal in their objectives for the year.

Signatories should explain how they have appropriately resourced stewardship, including how the workforce is incentivized appropriately to deliver services and ensured that fees are appropriate for the services provided

APPROPRIATE FEES

For our core advisory and discretionary services, we charge asset-based fees. We believe this fee structure aligns our incentives with our clients' investment goals, providing both clients and our firm with financial benefit for generating outperformance. There are three fundamental components to the fees we charge our clients:

1. We have a 90 day termination clause for all clients, meaning clients will never be "locked in" with our firm;
2. Clients only ever invest in their name which allows them to own their impact on the world. Clients own all the relationships with their managers so in the event of a termination of our contract with them, clients do not have to endure complex unwinding of their assets going through cash; and
3. Our fees are comprehensive and completely transparent – we do not have "add-on" services or products, the fee is set at the offset of the relationship or renewal period and is all inclusive. This means we are never trying to extort fees for additional services for our own benefit. Our only motivation is client satisfaction through achieving their investment objectives in a completely customised manner that is unique to them.

Additionally, we negotiate fees and terms with managers for our clients. Since 2016, we have secured over 600 fee concessions for our clients. Recent examples are shown in the following chart.

Fig 10. Fee negotiations secured for our clients

RECENT EXAMPLES OF FEE REDUCTIONS WITH SELECTED FUND MANAGERS ACROSS ASSET CLASSES	
DESCRIPTION	FEE DISCOUNT PERCENTAGE
A Private Equity manager reduced their fee from 175 to 140 bps during the investment period and from 125 to 100 bps thereafter	↓20%
A Credit/Special Situations manager reduced their fee from 200 to 158 bps	↓21%
A Real Estate manager reduced their fee from 200 to 150 bps	↓25%
A US Equity manager reduced their fee from 50 to 35 bps	↓30%
A Systematic Global Macro Hedge Fund manager reduced their fee from 200 to 100 bps	↓50%
Note: As of December 31, 2021. CA does not benefit nor receive compensation from managers in negotiated situations. All economic benefits accrue to our clients directly. Does not reflect the complete scope of feedback and influence on terms; includes negotiations that are no longer actively available to new capital. Terms may not be available to all CA clients; may be contingent on certain criteria such as client type, investment amount or aggregate CA capital invested with a manager or in a specific product; and are subject to change at the manager's discretion. For CA clients with non-discretionary relationships, fee, access, minimum, and other preferential terms are offered at-will. Managers may cease any such concessions at any time unless formal documentation between the manager and the client(s) has been executed.	

We also actively engage with investment managers to improve stewardship in their existing products and have used our scale to facilitate the creation of new ones with better alignment where appropriate. We have also identified and invested our clients in new products with innovative approaches to ESG and stewardship, and in doing so secured preferential fees for our clients as first movers.

2

Principle 2:

OUTCOME

Signatories should disclose how effective their chosen governance structures and processes have been in supporting stewardship; and disclose how they may be improved

ASSESSMENT

Since our last report in 2020, we have been making continuous improvements to our working policies and the systems and infrastructure that will best support our staff and clients. The substantial addition to the content in this section on our workforce training, integrated processes and robust procedures to formally include stewardship consideration points, we feel, to our firm's serious commitment to these issues.

We acknowledge, however, that there is always more work to be done, and we recognise our firm has a role to play in private assets. During 2021 we have been playing a more active member role with the Institutional Limited Partners Association ('ILPA'). ILPA facilitates global discussions on transparency, governance and alignment of interests between GPs and LPs. ILPA advocates for LPs to ensure that their perspective and that of their beneficiaries are considered in policy making circles as well as in industry practices.

We have been working with the ILPA and ESG Data Convergence Project members to help improve ESG and stewardship transparency and disclosure of private assets. This includes data on polices and outcomes, and on underlying holdings. As we obtain better data, we need to continue improve our own systems for analysis and reporting. We also need to continue with firmwide training to make best use of this data in our own investment decisions.

3

Principle 3:

ACTIVITY

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

CLIENT FIRST APPROACH

Clients First is the first core value of Cambridge Associates – We strive to always act in the best interests of our clients. With this in mind, Cambridge Associates maintains a Conflicts of Interest policy which reflects our client first approach. An updated version of our Conflicts of Interest Policy was recently introduced which further increased our commitment to taking steps to identify, manage and, where appropriate, avoid conflicts of interest.

MANAGEMENT OF CONFLICTS OF INTEREST

The identification, avoidance or management, and mitigation of conflicts of interest is an ongoing process. Cambridge Associates believes that it creates a conflict-aware environment through its governance and oversight processes, communications with clients, disclosure reviews, peer review procedures, and its ongoing training, monitoring, and testing.
Core to this process are the following elements:

- The Firm's Compliance Manual and Code of Ethics which covers matters related to Market Abuse, Outside Business Activities disclosure, Confidentiality Obligations, Research Independence, Personal Account Dealing Reporting, Gifts and Entertainment, Inducements where separate guidance is provided;
- A centralised due diligence process for investments that undergo full investment evaluation with oversight by asset class research committees; and
- An annual conflicts disclosure process where conflicts are disclosed to all clients of the Firm.

Where a conflict is identified, we seek to organise our business activities in a manner that prevents the crystallisation of the conflict. This includes the appropriate segregation of functions and business lines such that a level of independence may be achieved.
In certain instances, specific conflicts of interest may arise between Cambridge Associates and a client. In those instances, Cambridge Associates will provide specific conflict of interest disclosure to the affected client and corresponding mitigation controls.

Clients are provided with a description of the Conflicts of Interest policy as well as an Information Disclosure Document prior to the provision of investment services.

MANAGER RESEARCH

Where possible, we take active steps to ensure we do not create potential or real conflicts of interest when conducting manager research. One example is the information we collect on investment managers for the purpose of research. Our policy is we do not request, or receive, fees from managers for inclusion in our research databases.

We believe that assessing managers without any economic incentives leads to better outcomes for our clients and avoids potential conflicts of interest. From this position of independence, we feel free to negotiate, in our clients' best interests, on fees and terms with investment managers. It also allows us to be bold in engaging with managers to drive better stewardship behavior.

The reasonableness of fees and investment terms an investment manager proposes for their services/fund is a core part of our manager research due diligence process. Since the beginning of 2016, we have successfully negotiated hundreds of concessions with managers, and we frequently use our influence with managers to affect change that aligns with clients. Importantly, where we negotiate terms, we have policies in place to ensure that all clients benefit from the reduction fairly.

By maintaining these stringent guidelines and devoting such substantial resources to our research, we believe that our clients have access to a wealth of truly unbiased manager information.

EMPLOYEE ENGAGEMENT

We have a robust training and governance oversight for all employees to ensure they understand their roles and responsibilities with identifying, managing and avoiding conflicts of interest. This oversight includes Ethics and Compliance training for all new employees and annual training for all existing employees. The training includes a mandatory examination on the subjects covered, including conflicts, money laundering and regulatory responsibilities.

3

Principle 3:

OUTCOME

Signatories Should disclose examples of how they have addressed actual or potential conflicts

OUTCOMES CASE STUDIES

1: Putting client interests first

Cambridge Associates provides a range of different investment services with the aim of delivering the desired outcomes of our clients. For certain clients we provide more than one investment service, and the fees for these services differ which could create a conflict of interest.

An example of this occurred in 2021 where a client requested for Cambridge Associates to manage their Private Markets portfolio alongside the total portfolio advisory work we were already engaged for. This created a conflict of interest, where advice given in respect of the asset allocation could affect the total fee Cambridge Associates received. We identified this conflict and disclosed the conflict to the client before accepting the engagement. We then put in place procedures to manage the conflict. The procedures put in place reflected our core goal of always putting our clients' interests first, including above our firm's financial remuneration.

2: Access constrained investment funds

Cambridge Associates is a long-standing investor in private asset classes and has cultivated strong relationships with global investment managers for decades. Since our founding, we have been committed to providing clients with access to top-tier funds. Throughout the last decade, we witnessed significant flows to Venture Capital funds. Given their limited fund raising size, many top-tier funds are heavily oversubscribed.

We employ a process that does not show preference to any client, regardless of size, service or fees that we receive from them. This is especially beneficial when access to a manager may be constrained, but our process ultimately applies to all strategies and was specifically designed to avoid conflicts and promote fairness for all clients.

We identify our interested clients on an indication of interest list (IOI) that is sent to the manager. It is then up to the manager to use their own criteria to select final investors. This process is in fact applied to all strategies, regardless of them being constrained or not. Investment managers have full discretion to accept our client IOI and indicate the subscription amount (high, low or something in between). This is so that CA shows no preference to any specific client in the decision making.

3: Consistent process for client referrals

CA clients have a vast network and at times, refer investment opportunities to CA to review, analyse and vet. In 2021, we received a referral from a client to review a listed equity manager that was launching a new sustainability strategy. CA met with the manager on several occasions and decided not to pursue the strategy for due diligence. The client however was insistent that we pursue work with the intent to invest. The manager is owned by a family the client wished to strengthen its relationship with. CA held firm as there were better investment options for the client's investment goals.

Regardless of the origination source, all investment opportunities go through the same rigorous diligence process and Investment Ratings Committees to maintain objectivity and uphold standards for institutional quality and financial performance.

4

Principle 4:

ACTIVITY & OUTCOME

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

MARKET-WIDE AND SYSTEMIC RISKS

Our Sustainable and Impact Investing team are adept at responding to and commenting on the prominent trends that are likely to have material implications for investment portfolios over the long term. In our firm's Outlook 2021 report, our Global Head of SII research, Liqian Ma, highlighted that opportunities to promote stewardship can sometimes stem from the significant systemic risks faced by all investors, namely the global pandemic, climate change and structural social inequality. These are all incredibly urgent systemic risks that – when addressed through a "stewardship" or holistic lens can potentially enhance long-term portfolio resilience.

Take climate change mitigation as one example. Investing in renewable energy infrastructure is one obvious and asset class–specific approach. But a systemic approach would combine several strategies across asset classes, including but not limited to: 1) investing in sustainable real assets; 2) pursuing venture and growth strategies that focus on digital solutions to accelerate a low-carbon transition; 3) engaging with all managers on how they are managing climate risk; and 4) using available tools to analyse the portfolio carbon exposure and managing down that carbon intensity over time toward a "net zero" target. Investors can then extend further into climate adaptation themes, such as affordable housing, equitable healthcare solutions, and physical risk data analytics. Without this systemic approach, one risks not appropriately addressing the underlying root cause of climate change.

To implement a systems-oriented approach, Cambridge Associates engages with managers at a deep level to understand underlying themes and exposures. We connect those themes across asset classes to form causality-driven theses, and then allocate capital to those connections where return-enhancing opportunities and impactful solutions intersect. While it is easier than ever to feel disconnected and siloed, our experience has shown that investors who identified and built thematic connections across asset classes in 2021 are now better positioned to drive better long-term portfolio and societal outcomes.

WORKING WITH STAKEHOLDERS

Working with clients to ensure that they have truly robust portfolios
In 2021 we spent a vast amount of time with clients ensuring that our clients had enough liquidity reserves built up in their portfolio to maintain their planned outflows during potential hard times to come. Many of our clients have built significant allocations to private equity, venture capital and illiquid real assets. On the back of the lessons learnt in the global financial crisis, we helped our clients stress test their allocations. The emphasis of the stress testing is to assess the ability of our client's portfolio to maintain its outflows over time without having to sell risk assets (liquid or illiquid assets) at depressed prices. The systematic preparatory work undertaken by our teams is ensuring that, as 2022 market turbulence hits, our clients' portfolios are well equipped to navigate through without being a forced seller. By being well prepared they can continue to build on their long term plans.

Our innovative Research Teams capture system-wide opportunities
Our firm's Tactical Asset Allocation team monitors the world to identify and highlight market risks and trends so that our investment teams can recommend changes to our clients' portfolios when needed. The team uses market valuations to point to tactical allocation trades that can potentially add value on a 3-5 year investment horizon for institutional portfolios. Our approach is global and across all asset classes. It also recognises system-wide risks and opportunities.

One great example of the innovative and systems-wide approach is the team's recommendation at the end of 2021 to underweight global equities that had become too expensive with an overweight to Carbon Credits that are instead on a structural long-term rise. Our teams have been conducting research into the structure of the carbon credit markets for several years now and we see this as a growing opportunity set for our clients.

We allocate senior resources to ensure proper coverage of new and emerging areas
In 2021, the firm appointed a new head of Crypto, Jo Marenda, a Partner of the firm with deep knowledge of venture capital investing. We recognize the system-wide impact that the growth of blockchain technology and crypto currencies have on many different markets. We also recognise the significant ESG implications both in terms of energy usage and governance of financial markets. We felt it essential to have experienced dedicated resources to advise our clients in the space.

We produce significant amounts of thematic research and bring together our clients in a dedicated annual conference
We understand that all aspects of SII and DEI require continual research. In 2021, we wrote several research papers that were distributed to all of our clients. These include "*Bullish on California Carbon Allowances relative to Global Equity*", "*Green Commodities An Overview*", "*Implementing Sustainable and Impact Investing in Investment Portfolios*", and "*Investing for Climate Justice*".

In September 2021, we organised the 7th Annual Impact Investing Forum in which we bring together our clients who are actively working in Sustainability and Impact. The theme of the conference was "*Intersectionality: Inflecting toward a More Inclusive Future*" It was attended by over 300 clients. We featured speakers that included managers, clients, and entrepreneurs who are actively innovating to create real world solutions for climate change and inclusive societies.

Signatories should explain the role they played in any relevant industry initiatives they have participated in.

INDUSTRY INITIATIVES

Since our last report in 2020, we have made in-roads with two key peer groups:

Investment Consultants Sustainability Working Group 'ICSWG' UK & US

Cambridge Associates is one of the founding members of the ICSWG which was set up to improve the impact investment consulting firms in the UK can have in promoting sustainability. The ICSWG aims to engage with all relevant stakeholders and give added power to asset owners and their ultimate beneficiaries in order to seek genuinely sustainable investment outcomes.

One of the main objectives of the ICSWG is to ensure that the investment industry is better informed and able to account for sustainability risks and opportunities in their investment decisions. Sustainability reporting is a crucial ingredient in ensuring genuinely sustainable long-term outcomes for all stakeholders. Annachiara Marcandalli, a Partner in our UK office is a member of the Steering Committee at the ICSWG and played a significant role throughout the 2021 reporting period, including the creation of:

- **Engagement Reporting Guide** which aims to encourage more consistent collecting of and reporting of data within the industry.
- **Trustee Guide to Climate Competency** which sets out five themes against which Trustees should expect Investment Consultants to demonstrate climate competency.

Net Zero Investment Consultants Initiative 'NZICI'

Simon Hallett, a Partner in the UK is the Co-Chair of this global initiative which was founded in 2021. Main activities within this group took place in 2022, therefore after the reporting period. We would however like to state the importance of the work being done within this group as it is fundamentally about the stewardship of our planet and the environment through making better investment decisions.

Much of the work being done will have significant ramifications on how advisers will need to engage with their clients including:

1. Integrate advice on net-zero alignment into all investment consulting services as soon as practically possible and within two years of making this commitment;
2. Work with institutional asset-owner clients to identify the investment risks from climate change, highlight the importance of net-zero alignment and, where applicable, support clients in developing policies that align their portfolios to a net-zero pathway;
3. Support efforts to decarbonise the global economy by helping clients prioritise real economy emissions reductions, reflecting the target of 50% global emissions reduction by 2030 or sooner using existing decarbonisation methodologies; and

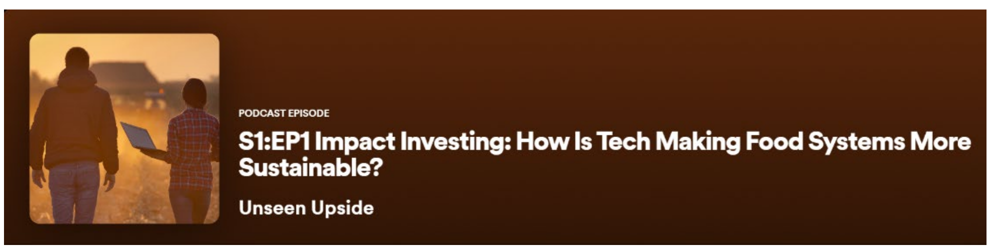
4. Assess and monitor asset managers on the integration of climate risks and opportunities in their investment decisions and stewardship and reflect this evaluation in client recommendations. We see these pledges as just the start and over time we will be encouraging them to go further.

Our firm's research is a widely respected and well-used resource for institutional investors across the globe. Our Capital Markets team is responsible for regularly disseminating crucial market insights to all investors within the firm and also for publishing content for public consumption. In the reporting period, we produced over 30 market insight reports for the public website.

During 2021 we lay all the groundwork for our joining of IIGCC (Institutional Investors Group on Climate Change). Our objective is to further enhance, through collaboration with peers and asset owners, all the tools necessary to advance towards Net Zero. We officially joined the group in 2022

'Unseen Upside' Podcast Launch to increase awareness of the opportunities of Sustainability and Impact Investing

In 2021, we launched a podcast aimed at disseminating the stories of our firm's most ground-breaking clients and managers. The first episode in 2021 was on the theme of sustainable agriculture and since launching, over six episodes have been dedicated to themes of diversity, achieving net zero, and agricultural technology. In each episode we highlight real world solutions to some of the world's sustainability challenges, the investment managers that are doing the ground work and how our most forward thinking clients are using their capital to back these changes.



5

Principle 5:

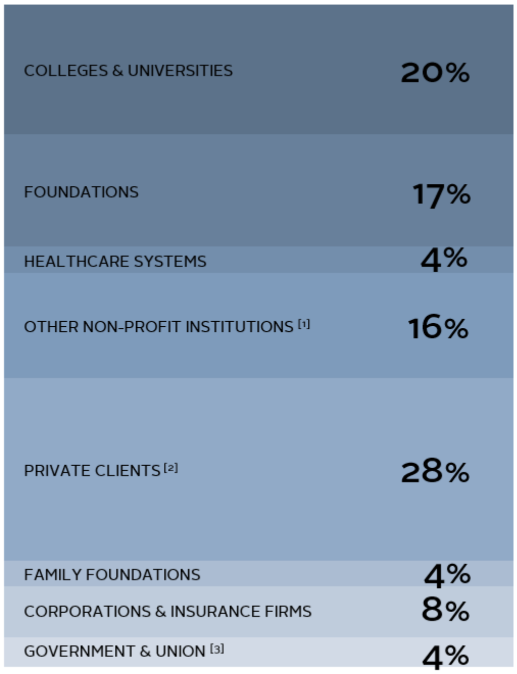
ACTIVITY

Signatories support clients' integration of stewardship and investment, taking into account material environmental, social and governance issues, and communicating what activities they have undertaken.

CLIENT BASE BREAKDOWN

Across our global organisation, we serve over 960 clients. We do not serve retail clients. Our client base consists of both institutional (endowment and foundation, pension etc.) and private wealth professional clients. These clients are based all around the world and represent over 30 individual countries.

Fig 11. Cambridge Associates client types



Data based on client count as of December 31 2021.
n = 966. Percentages may not sum to 100 due to rounding.
[1] Includes a wide variety of non-profit organisations including, but not limited to, museums and libraries, independent schools, medical institutions, professional and research organisations, service organisations, religious institutions, performing arts institutions, and settlement trusts.
[2] Includes individuals, families, and family offices.
[3] Includes public and government-related funds, superannuation funds, and sovereign wealth funds.
[4] Client tenure does not necessarily indicate client satisfaction and should not be viewed as an endorsement of Cambridge Associates' services.

Fig 12. Clients by geography

United States	Latin America	Canada	United Kingdom	Europe Ex UK	Middle East & Africa	Asia	Australia/New Zealand	**Total**
707	**9**	**20**	**76**	**74**	**24**	**36**	**20**	**966**

For all of the 960+ total clients, we are actively discussing how they can integrate more effective stewardship considerations in their portfolio either through direct communication in meetings and materials or via our bi-annual ESG survey which gathers broad feedback on what clients would like to pursue. In our 2021 Net Zero Pledge, we made a commitment to:

- Integrate advice on net zero alignment into all our investment consulting services as soon as practically possible and within two years of making the commitment;
- Work with our institutional asset owner clients to identify the investment risks from climate change, highlight the importance of net zero alignment and, where applicable, support our clients in developing policies that align their portfolios to a net zero pathway;
- Support efforts to decarbonize the global economy by helping our clients prioritize real economy emissions reductions, reflecting the target of 50% global emissions reduction by 2030 or sooner using existing decarbonization methodologies; and

- Assess and monitor asset managers on the integration of climate risks and opportunities in their investment decisions and stewardship and reflect this evaluation in our client recommendations.

Signatories should explain how their services best support clients' stewardship as appropriate to the nature of service providers' business.

As a firm, we take great pride in our ability to customise our advice and create portfolios that not only align with a client's mission but contributes towards it. Our stewardship integration work includes not only the above emphasis on achieving net zero but also sourcing and selecting proactive investment focused on broader environmental sustainability, poverty alleviation, job creation, community economic development, public health, social justice, education, and other important causes. We also provide strategic tools such as positive and negative screening, ESG integration, proactive impact investing, shareholder engagement, and alignment with mission priorities.

We have more than a decade of experience of integrating stewardship into policy guidelines. At the beginning of each engagement, we conduct a comprehensive planning process to help a client establish investment strategies and policies with an explicit connection to its mission. This knowledge-sharing process is important for shaping investment strategy, defining decision criteria, developing implementation plans, and performing ongoing stewardship oversight.

As our team begins its investment planning work with each client, we interview key stakeholders to learn about their specific stewardship or impact priorities. We also make sure to have periodic reviews for longer standing clients across the firm as part of all clients' ongoing governance.

As we learn, we share and begin to apply a contextual framework to define three pillars of strategy—purpose, priorities, and principles—that guide policy development:

- An early focus on purpose is important; client stakeholders need to agree on the objectives for pursuing impact investments. We can provide education on impact investing and leverage discussion/decision frameworks to make it easier for clients to approve a statement of purpose that incorporates the financial and return objectives, as well as specific mission goals.
- The next step is to articulate the client's impact priorities, to link its objectives to investment themes, and find opportunities to address these themes. As the impact investing landscape has grown, so have global opportunities. Any mission-aligned opportunities should be considered in tandem with your grant making and ideally will complement—perhaps even enhance—any efforts to address your mission goals, and also leverage the expertise of staff and board members.
- Finally, the client team will help to write a statement of principles that will inform all investment decisions. Defining impact principles ensures that the purpose and priorities are well integrated with a client's existing investment criteria. For example, a principle could be "Investments are an opportunity for engagement through advocacy," meaning impact investments require advocacy through investment managers and with companies through shareholder discussions and/or proxy voting. In most instances, the principles expand and/or clarify the list of key decision criteria for our team as we source and assess investment opportunities. The principles help guide the implementation program.

We also discuss questions investors should consider when assessing how SII considerations will affect the portfolio's overall risk/return profile, including:

- Are there theoretical reasons to believe a given impact investment won't be able to offer market-rate, risk-adjusted returns? If so, are those investments worthy of a PRI allocation instead?
- Will impact investments lead to overexposure or underexposure to certain asset classes or sectors relative to how the portfolio would be structured without impact considerations? If so, how will this affect the portfolio's risk/return characteristics?
- If mission-aligned investments can't be found in a given asset class, will that asset class be exempt from the program's impact-related guidelines?

Other topics we typically address in initial meetings include benchmarks, managers' impact reporting expectations, impact reporting goals, and to what extent (if any) SII field-building and peer learning will be explicit objectives.

Many of our clients support environment, education, racial equity, and social justice interests. We help these groups develop investment policies that articulate their goals and investment strategy to achieve impact-based and financial objectives. For example, some clients desire to employ women and diverse-led managers as part of their mission. We help them to craft policy and construct strong, creative portfolios that support these goals. For clients concerned with environmental causes, we help them develop appropriate guidelines and measure the impact of our decisions relative to financial and ESG benchmarks.

All this work is bespoke, entirely tailored to each client's individual needs, and is responsive to feedback. One obvious benefit to clients from this approach is in private investments. When each commitment is made on a client-by-client basis, we are able to engage directly with investment managers on the specific stewardship needs of that client. This may result in obtaining client-specific side letters covering issues like excuse rights on investments misaligned with a given client's responsible investment policy or guarantees on the provision of data on social and environmental outcomes.

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Principle 5:

OUTCOME

Signatories should explain whether they have sought clients' views and feedback and the rationale for their chosen approach and explain the methods and frequency of communication with clients.

ESG SURVEY

Every two years we conduct a major survey to understand client's priorities on ESG and stewardship issues. The last survey took place in 2020, it had 202 respondents and the results from our 2022 survey will be included in our next stewardship report.

ESG DDQ

We believe our client base to be uniquely knowledgeable on stewardship issues, and their views and feedback have been key to evolving our stewardship services. For example, as we have upgraded our ESG and diversity due diligence questionnaires, we incorporated advice from UK clients whose own staff have expertise on social and environmental issues.

Signatories should explain how they have taken account of clients' views and feedback in the provision of their services.

CLIENT CHECK IN PROGRAMME

Each client team at the firm has a schedule for client check ins which generate feedback across all aspects of their relationship with our firm. These check ins are conducted by senior members of the firm and include questions on key aspects of stewardship.

We seek to operate as if ‘down the corridor’ from our clients which allows for, and encourages, a steady flow of communication at all times. Senior members at the firm conduct client check-ins to solicit candid feedback on teams serving clients across the firm and to gather their views on our service, support and any areas with the goal of optimal effectiveness. The work comprehensive enterprise review before policy setting conducted at the onset of a client relationship allows us to set clear boundaries and expectations with clients from day one. We have positioned ourselves in a manner that minimises conflicts of interest so we are aligned to fulfil the missions of our clients.

We are continuously taking on board our clients’ feedback and suggestions as well as making improvements to the services we offer based on our internal perspective. In the case studies below we demonstrate the ways we engage with clients.

CLIENT ENGAGEMENT

Client case study 1:
We worked with a Foundation on an additional carveout focused on high impact, catalytic opportunities so they would have a new investment tool to address their charitable objectives focused on preserving nature, social justice and community development. CA supports the strategy development, advises on the diligence process and refers investment opportunities.

Client case study 2:
On behalf of a Foundation client, we reached out to their entire hedge fund portfolio to engage on the extent of climate risk consideration built into their processes. This is an ongoing, multi-year engagement with their investment managers which included educational calls on ESG, potential approaches for analysis, Paris Alignment and Net Zero issues.

Client case study 3:
CA has continued to develop a portfolio for a client’s ambitious 2030 Net Zero goals. As part of the solution set, CA conducted landscape research and analysis into natural capital and carbon sequestration opportunities. In 2021 this resulted in a short list of suitable investment strategies where we commenced due diligence. The client has made a sizable commitment in 2022 to a natural capital solution.

Client case study 4:
CA has worked with a client that has a strong interest in engagement activities on ESG and climate change. We supported them in further structuring their approach for engagement with managers and companies, and targets for engagements by recommending the creation of a dedicated working group of the investment committee. On an ongoing basis, CA provides bespoke analysis and reporting to this working group to prepare for these engagement meetings and supports follow ups on topics of importance.

Client case study 5:
CA conducts annual in-depth portfolio reviews for impact and ESG integration and performance according to individual sustainability priorities. This allows us to track progress of the portfolio against client goals and address areas of misalignment with investment managers.

Since our clients invest directly with managers, we also see it as our duty to engage with managers, providing them with our feedback and exploring ways for them to better aligned with the key principles of good stewardship. Some examples over the 2021 reporting period include:

MANAGER ENGAGEMENT

Manager case study 1:
CA engaged with a listed equities manager with minimal integration of ESG and climate considerations. The manager had resisted providing disclosures on common negatively screen sectors (i.e. firearms), carbon exposure. After repeated engagement, the manager agreed to educate itself on ESG, adopt new data providers, incorporate ESG considerations to their analysis and company engagement. Engagement continues with the manager to promote continual improvements.

Manager case study 2:
CA continues to engage with an index fund manager where we helped to seed a custom ESG oriented strategy. We engaged with regards to enhancements in its sustainability related screens relating to climate risk and human rights, and Paris alignment.

Manager case study 3
We have engaged with an early-stage VC manager on diversity, equity and inclusion topics for 3 years including DEI considerations across their team as well as for how they support and develop their portfolio. They have made substantial improvements to their policies and initiatives in support of DEI objectives and recruitment of more diverse individuals.

Manager case study 4:
CA has engaged closely with partners at a VC manager on several ESG and sustainability issues. In 2021, we supported them in refining their ESG policy, where they leveraged a CA framework to model out their new ESG policy for their firm.

Manager case study 5:
CA worked with a growth stage manager on their approach to impact, DEI and ESG. We provided input to institutionalising and quantifying their impact through relevant metrics for their portfolio, considering materiality for sustainability considerations and refinements to their ESG policy which resulted in significant policy enhancements.

Manager case study 6:
CA advocated for a private equity firm to exit a loan to a company that was exploiting women and children. We then worked with the manager to frame subsequent ESG policies, ESG risk management and investment restrictions.

Signatories should explain the effectiveness of their chosen methods for communicating with clients and understanding their needs, and how they evaluated their effectiveness

EVALUATION

Every element of effective stewardship has a moving part. To do the best in our capacity as service providers requires transparency with both our clients and industry stakeholders. Over the course of 2021, we have taken the feedback from our staff, clients and external partners to create robust plans that aim to improve reporting, policy and procedures. In our work with the ICSWG UK, we have embarked on projects that will benefit the community far beyond the boundaries of our own firm, because we acknowledge that to make the most impact, it will take the whole industry's collective efforts. The better we understand our clients' needs, through regular communication, interviewing and surveying, the more we can do to improve the standards of – and standardisation in – the financial industries.

Every action taken to promote stewardship across Cambridge Associates Limited as included in this report, and indeed the report itself, has been reviewed and signed off by our Board. The Board demands regular reporting on our progress. It is our privilege to help private clients, pension schemes, endowments and foundations achieve real impact via their investments and we feel confident that with our continued focus on incorporating sustainability, diversity and environmental considerations into our work, we are showing the industry what it means to be effective stewards of capital. Overall, we feel that we are moving in the right direction and effecting change.

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Principle 6:

ACTIVITY

Signatories review their policies and assure their processes.

COMMITMENT AS A FIRM

Cambridge Associates policies on ESG and Sustainability are the responsibility of the Firm's Management Group. Furthermore, to be a partner to our clients, we believe it is important that our own internal ESG and sustainability goals are closely aligned with the advice and portfolio management decisions we provide.

During 2021, Cambridge Associates made a clear commitment towards the goal of global net zero emissions by 2050. The commitments include a pledge to align with the Net Zero Asset Managers Initiative within two years.

Our progress towards our ESG goals is tracked by the Management Group as part of their agenda. In addition, the Management Group periodically invites members of the Sustainability and Impact Investing (SII) team to discuss the Firm's approach to ESG and whether improvements or enhancements can be made to the current plan.

OVERSIGHT OF OUR STEWARDSHIP PROCESSES

Cambridge Associates has a dedicated ESG and Sustainable and Impact Investing Group (SII) that underpins the research, advice and processes our Investment Directors follow when incorporating ESG considerations into their clients' portfolios.

The SII team consists of 13 full-time investment professionals and are further supported by a number of passionate senior colleagues across the firm, who spend part of their time on ESG related activities. The SII team are responsible for maintaining and reviewing our procedures on a periodic basis. All policies, procedures and processes are available to employees on the internal intranet site (CA Home). A review of our policies was undertaken during 2021 which led to the creation of a Net-Zero Think-Tank.

The Net-Zero Think-Tank was created with the specific aim of developing and providing oversight of our Net-Zero work with clients. The Think-Tank works closely, and shares some resources, with the SII team.

The Net-Zero Think-Tank are tasked with maintaining up-to-date understanding of policies adopted by collaborative groups such as the IIGCC and determining ways of implementing the Net Zero Pledge appropriate to Cambridge Associates' business model and investment philosophy. The group is also responsible for maintaining and updating process and procedures around Net Zero investing and recommending changes to the Firm's Management Group for approval.

Finally, while we have developed a governance framework to regularly assesses our policies and procedures remain appropriate, we are conscious that all client facing investment professionals need to be aware of the latest developments within ESG and Net-Zero. In 2021, we undertook a series of SII Bootcamps for employees to reiterate our commitment to ESG and also, to ensure they were aware of the latest processes, and tools we have at our disposal.

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Principle 6:

OUTCOME

Signatories review their policies and assure their processes.

FEEDBACK AND CONTINUOUS IMPROVEMENT OF STEWARDSHIP PRACTICES

The investment landscape is constantly evolving, non-more so than in the area of ESG and sustainability investing. As demonstrated, Cambridge Associates has governance and oversight in place to react and adapt our processes to incorporate advancements in ESG and Net-Zero investing which are critical factors in effective stewardship.

During 2021 we made several enhancements to our process, reporting and capabilities in this area including:

- Further improvements in our data collection and reporting systems for ESG in client portfolios
- The creation of the Net-Zero Think Tank to further drive innovation and change within client portfolios
- Enhancements to our reporting suite in relation to reporting ESG metrics and carbon intensity within portfolios, particularly as it relates to Private Investments
- The expansion of our DEI manager research capabilities and the hiring of a firmwide head of DEI policy, supported by further DEI hires in the US and the UK
- Broader research coverage of the ESG universe with more than 380+ strategies represented in our investment research database

We also acknowledge that every element of effective stewardship has a moving part and that to do the best in our capacity as service providers requires commitment and momentum to bring about meaningful change. The year covered in this report and the years we face ahead of us may well see some of the biggest challenges yet, not only for us as investment advisers but for society at large.

It is our privilege to help private clients, pension schemes, endowments and foundations achieve real impact via their investments and we feel confident that with our continued focus on incorporating sustainability, diversity and environmental considerations into our work, we are showing the industry what it means to be effective stewards of capital.

REVIEWING, APPROVING AND SIGNING THE STEWARDSHIP REPORT

The production and responses in this report were overseen by members of the SII Team and Net-Zero Think Tank. In line with our governance oversight of ESG related activities, the Report was presented to Cambridge Associates Management Group for review, comment and ultimately approval. These layers of approval and review ensure that our reporting is fair, balanced and understandable.