CAMBRIDGE ASSOCIATES

2025 Stewardship Report

Covering reporting period 1 January 2024 - 31 December 2024

Contents

Introduction

We are delighted to share Cambridge Associates' progress during the 2024 reporting period. Our stewardship activities remain in strong alignment with our client base, reflecting our shared commitment to responsible investment. In our 2024 Sustainable and Impact Investing (SII)[1] Survey, more than half of the 255 survey respondents representing client institutions reported engaging in Sustainable and Impact Investing, and 40% adhere to or are guided by an Investment Policy Statement that integrates SII priorities, principles, and decision criteria.

Throughout 2024, we continued to formalize and strengthen our formal stewardship systems. Among the year's highlights, we successfully rolled out our internal, proprietary ESG-DEI Manager Assessment Framework, which upgrades how we evaluate investment managers on their ESG, DEI, Climate/Net Zero, and Stewardship activities. All investment colleagues now implement the Manager Assessment Framework during manager due diligence. As part of this process, areas identified as engagement priorities or opportunities for improvement are systematically logged, ensuring a robust and actionable approach to stewardship with asset managers. CA colleagues completed assessments for approximately 270 strategies across all asset classes, public and private, since the last reporting period.

We also updated our firmwide Sustainability and ESG policy, where we articulate how we strive to be good stewards of clients' capital, sustaining and growing the value of portfolios into the uncertain future. This requires us to be good stewards of the natural and socio-economic systems that ultimately underpin long-term value creation. To further enhance our internal sustainability systems across the investment lifecycle, we made a key senior hire: our new Head of SII Integration Strategy.

Diversity continues to be a strategic imperative at Cambridge Associates, both in manager selection and engagement, and in fostering an equitable and inclusive internal community. Our Employee Resource Groups remain central to delivering support and a sense of belonging throughout our organization.

As part of our collaborative efforts to engage the sustainable and impact investing community, Cambridge Associates hosted and sponsored several events, including a Climate Investing Workshop, the Toigo Foundation's 2024 Gala, Future of Healthcare Innovation events, and our 10th Impact Investing Forum. We also maintained our support for industry initiatives, notably in our role as Chair of the Net Zero Investment Consultants Initiative (NZICI), and published our second NZICI Progress Report.

As the investment environment continues to evolve, Cambridge Associates is committed to leading with purpose, integrity and adaptability. Our achievements in 2024 reflect our drive to set higher standards for stewardship and responsible investment. We look forward to building on this momentum, embracing new challenges, and working collaboratively to deliver positive outcomes for our clients and the broader community.

Annachiara Marcandalli
Partner, Global Head of Sustainable and Impact Investing (SII) Solutions

Alex Koriath
Chair, Cambridge Associates Ltd
Partner, EMEA Regional Head

Principle 1: Context

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

OUR PURPOSE

Cambridge Associates 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. As of year-end 2024, we had offices in seven countries around the world: Australia, China, the United Kingdom, Germany, Singapore, Switzerland 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. Unlike many other firms, we are not owned by, or affiliated with, any investment managers, nor do we receive compensation from them.

We strive to be good stewards of clients' capital, sustaining and growing the value of portfolios into the uncertain future.

For Cambridge Associates, sustainable investing aims to meet present return needs without compromising future returns. To do so, it recognises that businesses and economies operate within ecological and social systems, and their long-term success is interdependent with the health of these systems. Over long horizons, financial sustainability converges with environmental and social sustainability. A sustainable investment approach will tend to align financial objectives more closely to broader societal gain, and promote responsible stewardship of capital for the benefit of both investors and society as a whole.

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

BUSINESS MODEL

CA delivers a range of investment advisory and portfolio services, either on a total portfolio, single asset class or partial mandate basis to more than 1,000 clients worldwide. Our combined assets under management and advisement as of 31 December 2024 was £453.8 billion.

As a global investment firm, we aim to help our clients build customised, long-term investment portfolios designed to generate alpha and meet our clients' long term investment goals. We do this by researching and monitoring high conviction 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 that 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.

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

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 organisations 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.

Private Clients & Family Foundations

We forge deep partnerships and build custom portfolios designed to help individuals, families and family offices grow their wealth and fulfill their personal goals.

Government & Union, Corporations & Insurance

We are a fiduciary partner to owners of complex asset and liability pools such as corporate, public and union retirement plans, focused on maximising results for each valuable unit of risk and capital.

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 asset mandates.

HOW WE SERVE

Advisory Services

For organisations that need an investment team to provide daily portfolio oversight but wish to stay involved in

Principle 1: Context

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.

Outsourced CIO

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.

OUR VALUES, CULTURE & STRATEGY

As a firm, we are guided by the following core values, with the first, *Clients First*, underscored as our true north objective. The firm values are embedded as part of our induction, training, guiding principles and individual annual appraisals:

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.

Cambridge Associates recognises that good stewardship encompasses responsible allocation, management and oversight activities to create long-term value for investors leading to sustainable benefits for the economy, the environment and society.

Stewardship is the shared responsibility of all colleagues and teams at CA from our Investment Strategy through to our Investment Operations teams. 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 motivated by and 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.

Financially material sustainable investment and governance practices are key to fulfilling our stewardship objectives. These are embedded across due diligence and portfolio management work of Global Investment Research Asset Class professionals, Global Investment Research Operational Due Diligence specialists and Global Investment Services Portfolio specialists.

Sustainability analysis is an approach to investment research that seeks information about companies and other investment assets that does not typically feature in financial and regulatory statements, but nonetheless can enhance investment decisions. We believe material, good stewardship factors – including ESG, DEI, climate considerations and manager stewardship & engagement – are integral for risk management, long-term value creation and alignment with a client's own values. In our comprehensive investment research process, consideration of these factors for decision making is driven by materiality of specific factors, rather than simply applying uniform "ESG scores." These factors represent additional diagnostic tools to understand the risk, opportunities and value on a case-by-case basis, supporting financially material outcomes for investors.

Research on sustainability in investing has meaningfully evolved over the past decade, with various standards, metrics, and a diverse set of data providers. Despite industry variations, core pillars - transparency, disclosure; independent information, standardised data and responsiveness to investor engagement – remain fundamental. We believe these principles align well with the expectations of any diligent investor (Figure 1).

VALUES-BASED INVESTING

The materiality approach described above is distinct from but overlaps with 'values-based' investing, where some investors, based on their mission or values, may assign greater significance to specific Sustainability factors, and make different trade-offs in their investment decisions. Examples of this may be exclusion of certain sectors,

Principle 1: Context

Figure 1: Several interconnected pillars for promoting effective stewardship in our client work

setting minimum ESG and/ or DEI standards or favouring investment themes with specific impact outcomes. For every client that uses our firm for sustainable or impact investing, we explore the themes and priorities that are most impactful to them as an individual or institution. We then develop strategies and build portfolios using these priorities as guiding principles (Figure 2).

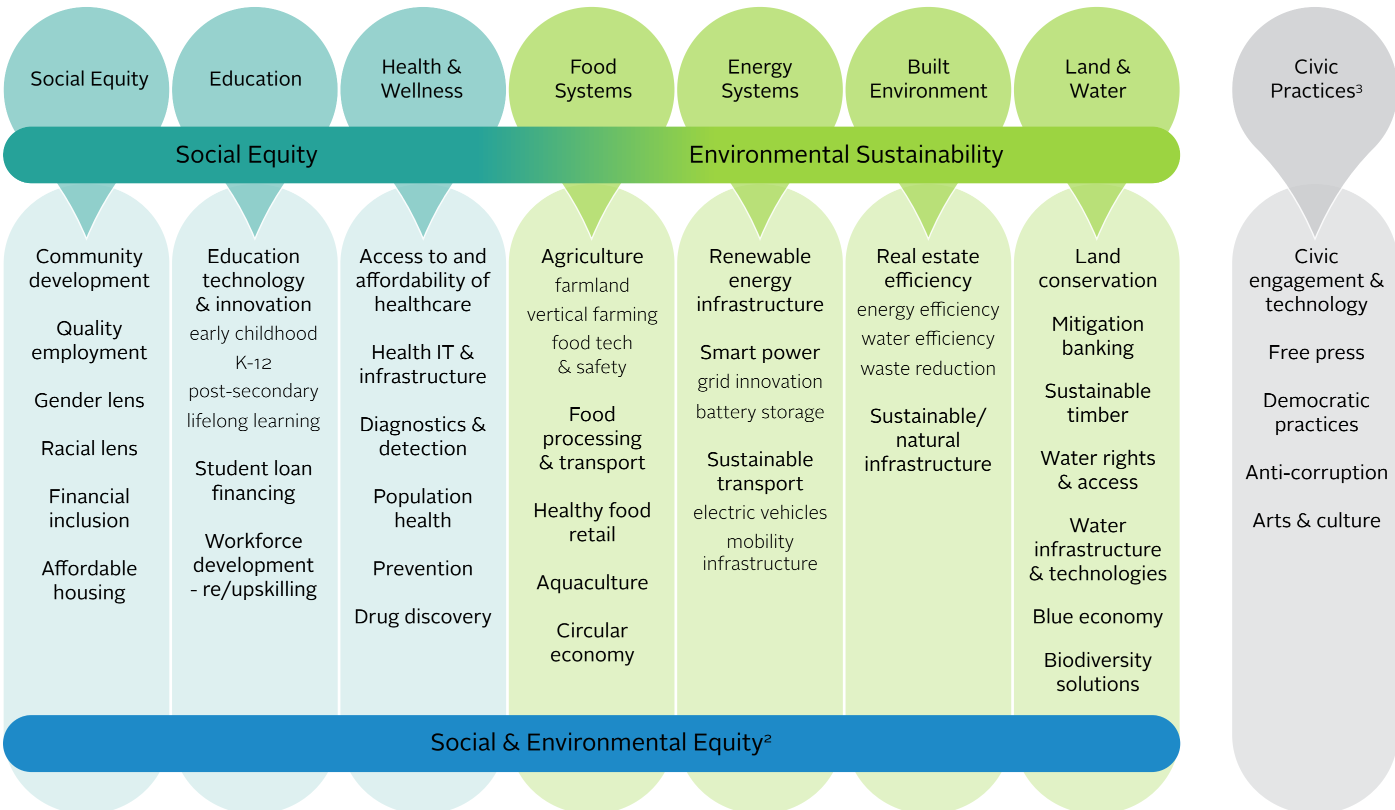
All investment decisions involve trade-offs among multiple different factors in search of the best outcome for the investor. For all clients we seek to employ sustainability thinking and tools through our manager due diligence process for the purpose of improving long-term portfolio resilience. Some clients ask us to use the same understanding to achieve other portfolio goals as well. This is why we refer to Sustainability and Impact Investing (SII) rather than ESG since SII is more goal-oriented and speaks to the needs of both values-driven as well as a broader universe of clients.

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

Over 2024, Cambridge Associates introduced a 5 Year Strategic Plan to position us for continued growth and development to best enable us to achieve the best outcomes for clients. Core to this plan is the priority of Superior Performance and Client Experience. This includes:

- Refining the mandate of the Investment Strategy Office which provides firmwide investment thought leadership and manages our operating model.
- Continued investment in our investment research capability to continue to find the top investment opportunities across all asset classes and geographies. This includes a focus on talent, tools and technology.
- Continued investment in the client experience through enhancing communication and implementation systems.
- Continued investment in the design, implementation and reporting on leading sustainable and impact investing portfolios.

Figure 2: Impact themes we explore with clients



Principle 1: Activity

Actions we have taken to ensure effective stewardship include:

MANAGER RESEARCH

Cambridge Associates embeds sustainability analysis across our research platform such that it considers ESG, DEI, climate and stewardship factors as part of every manager due diligence. We also continually enhance our internal sustainability tools and resources to support manager research and due diligence.

Beginning in February 2024, investment professionals leverage a proprietary, internal tool, CA's ESG-DEI Manager Assessment Framework (MAF). The MAF was previewed, tested and iterated over 2023. It is used to assess managers' financially material sustainability integration, including engagement and stewardship. Key findings from each MAF evaluation are incorporated into each due diligence report, available for consideration during each client's investment process. Assessments were completed for approximately 270 strategies across all asset classes, public and private during the reporting period.

For all managers going through CA's diligence process, we collect detailed sustainability data across all asset classes through a proprietary ESG-DEI Due Diligence Questionnaire. This covers firm-level data (e.g., policies, resourcing on ESG) and strategy-level data (e.g., detail on ESG integration in security selection, approach to climate risk, active ownership). Information gathered from the questionnaire serves as one key input to support engagement with managers on ESG, DEI, climate, net zero and stewardship practices.

In addition, CA's operational due diligence team employ processes to vet sustainability risks and compliance among investment managers.

ENGAGEMENT

Engagement puts stewardship into action – it is purposeful dialogue with a specific objective, promoting disclosure and accountability. CA works on stewardship and engagement in three ways:

1. We assess how investment managers engage with their underlying portfolio companies.
2. We engage with asset managers to promote transparency and disclosure as well as improvements in corporate governance and decision making.
3. We support interested clients in direct engagements with their investment managers and help them participate in collaborative groups of their choosing.

The MAF includes a section to assess marketable (e.g. listed equity, public fixed income, long/short hedge fund) managers' Stewardship practices, focusing on the role of Stewardship in firm policies and governance, communications and transparency, investment processes, and investment outcomes. The framework's Investment Process and Investment Outcomes pillars can be used to assess private investment managers' engagement practices across Climate, DEI, and ESG topics.

CA notes the voting track record of managers as part of our assessment of their Stewardship practices. As part of our work to help clients identify managers with active ownership practices, we communicate with managers and provide annual reports on their proxy voting and shareholder engagement practices to interested clients. On an annual basis, we host dedicated meetings on Engagement and Stewardship with various passive/index managers where we discuss both their voting and engagement activity over the past year.

Engaging with asset managers is one of the key stewardship activities CA undertakes to effect positive change and achieve the best outcomes for clients. It is also the counterparty with which we hold the greatest potential scope for influence. We view our relationship with asset managers as a long-term partnership, and we seek to continually have constructive dialogue with them to explore ways to better meet clients' evolving needs. Recognising the need for continuous improvement, each MAF will standardise CA's engagement agenda.

As part of each MAF assessment, researchers determine priority topics for CA to seek to engage with the manager over time. Some topics may be addressed over the short term (less than 12 months), while some topics may be priorities over the medium term (by the next fundraising cycle if a private investment fund), or over the long term (beyond a fundraising cycle). Discretion is given to the Researcher to determine the best pathway and timeline for seeking optimal outcomes. We place an emphasis on disclosure and accountability, materiality, tailoring engagements per manager, and taking a constructive and outcomes-focused approach.

LEARNING CULTURE

Since sustainable investing is a fast-evolving field, we develop our approach and governance on an ongoing basis. We seek to learn proactively and by doing and observing what works best in practice as well as through the primary research conducted by our SII team. We maintain a constant firmwide dialogue that includes different functions and regions to avoid siloed thinking and ensure all clients benefit from our most advanced understanding of sustainability topics.

CLIENT ADVICE AND PORTFOLIO MANAGEMENT

Our investment teams incorporate sustainability factors with the aim of meeting or exceeding return objectives in ways tailored to the needs and preferences of each client. This may include pursuing specific impact goals and/or emphasising specific sustainability risks as directed by clients.

SATISFYING REGULATORY REQUIREMENTS

We monitor current and forthcoming regulation so that both we and our clients can meet our compliance commitments regarding sustainability in relevant jurisdictions.

COLLABORATION WITH EXTERNAL GROUPS

Where appropriate we seek to exercise industry leadership on our clients' behalf. We selectively collaborate with investor groups, trade associations, and the academic community to support evolution of industry practices that benefit our clients and ensure our thinking remains leading edge.

Selected Actions Taken in the 2024 Reporting Period on Sustainability topics

NET ZERO PROGRESS:

To help us evaluate net zero progress in a pragmatic and flexible way across our organisation, we apply the following principles:

- Leverage existing frameworks
- Drive long-term returns
- Prioritise real-world emissions reductions
- Target portfolio transparency
- Embrace flexibility
- Lead with a core approach, which clients can then accept, customise or reject
- Consider fossil fuel assets carefully
- Engage with the hard questions
- Focus where it matters

We continued to make progress in line with the commitment we made as part of the Net Zero Investment Consultants Initiative (NZICI) starting in 2021 (Figure 3).

Figure 3: Our commitment involves integrating climate competence and net zero alignment into four buckets:

Investment Advice	Reporting	Manager Evaluation	Manager Engagement

Below, we provide an update for each area of focus over 2024:

INVESTMENT ADVICE

- In May 2024, Cambridge Associates updated our firm-wide Sustainability and ESG Policy.
- With the goal of ensuring net zero investment approaches appear accessible and relevant to a wider range of investors, and encouraging wider adoption we published "Simplifying Net Zero Implementation: Possible Pathways to a Portfolio That Can Be Good for the Climate" in Q3 2024. This paper along with accompanying client materials and extensions was intended as foundational to our approach to advising clients in this area, providing not just policy approaches but tools for practical action today.
- CA also updated its Engagement Policy throughout 2024, which was published in 2025.

REPORTING

- 2024 Net Zero Investment Consultants Initiative (NZICI) Progress Report and TCFD report published.
- Cambridge Associates onboarded Quyen Tran as Head of Cambridge Associates' Sustainable and Impact Investing Integration Strategy. Quyen's projects starting in 2024 include developing robust and scalable reporting infrastructure, as well as expanding ESG data and analytical tools for investment teams and clients.

MANAGER EVALUATION

- CA formally launched the ESG-DEI Manager Assessment Framework in February 2024. The framework includes dedicated sections to evaluate each fund's net zero alignment and climate-related processes. The framework incorporates industry-leading guidance from the Paris-Aligned Investment Initiative's Net Zero Investment Framework (NZIF) and the Supplementary Guidance on Target Setting, as well as the ILPA's ESG Assessment Framework.

MANAGER ENGAGEMENT

- For each completed ESG-DEI Manager Assessment Framework evaluation, our investment professionals have identified up to three engagement priorities per manager, which they have logged internally and will monitor for progress.

NET ZERO ALIGNMENT FRAMEWORK & TRAINING

We have conducted internal education sessions across our firm and designed dedicated net zero client presentations to help all our investment teams navigate climate topics with their clients. Since our clients implement their portfolios primarily through third-party managers, both choice of manager and engagement with managers are the main ways to achieve net zero goals. Assessing managers for climate competence and net zero alignment is an indispensable component of net zero portfolio construction.

In 2024, CA's Head of Climate Strategy, Simon Hallett, established a new monthly internal forum, the "Climate Café". The forum was established to foster a common understanding of CA's approach to climate investing and to engage more colleagues to discuss specific climate-related sub-topics. In 2024, Climate Café discussions covered: How climate risk shows up in different manager portfolios; climate risk and insurance markets; electric vehicles; nuclear energy; and how to incorporate net zero goals into a private investing program.

SHARING LEARNINGS FROM NET ZERO INVESTMENT CONSULTANTS INITIATIVE

As Co-Chair of the Net Zero Investment Consultants Initiative (NZICI), Simon Hallett continued to play a key role supporting the initiative. NZICI operates under the United Nations-Principles for Responsible Investment (UN PRI). 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. In 2024, NZICI members revised the initiative's nine commitments, based on lessons learned in the first year of reporting. Members will report against these in 2025. We work through NZICI to continue driving overall industry progress on net zero.

DEI Progress over 2024

The most comprehensive overview of our firm's DEI progress can be reviewed in CA's inaugural Global Citizenship Report, covering 2024 activities, found here. Below, we seek to highlight the most relevant areas to the Stewardship Code.

DEI INTEGRATION AT THE FIRM LEVEL:

More than 220 CA colleagues completed BE@CA through 2024, with over 550 having completed the course since its launch. This translates approximately 16% of the firm in 2024, and close to 40% of CA's global headcount since BE@CA launched.[4]

In 2024, CA piloted an innovative reverse-mentoring program successfully with 18 participants in the London office. With more junior colleagues acting as "mentors" to the most senior professionals at the firm, this mentoring program aimed to further develop the inclusivity of our office by enabling new and meaningful connections across seniority and function lines. Feedback was positive, and the program helped enable actionable insights for senior leaders as people managers and cultural ambassadors. Building on this success, the initiative will be rolled out more widely across the firm in 2025.

DEI INTEGRATION IN INVESTMENT ACTIVITY:

Updated standard client presentations on Diverse Manager Investing.[5]

Principle 1: Case Study & Outcome

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

CASE STUDY

Since 2020, CA has worked with a fourth-generation family client seeking to invest their wealth while pursuing tangible improvements to social, environmental, and cultural systems which address root causes of distinct yet interconnected issues in multiple sustainability and impact themes. CA supports the Client's investments in funds delivering market-rate returns, which are concurrent with the values-based impact and consistent with the trust's long-term intentions and fiduciary responsibilities.

Cambridge Associates has worked with the client to develop their investment objectives, which notably include client-specific engagement objectives with managers on improvements to ESG and DEI integration, impact processes and impact risk management, and monitoring the portfolio's progress along these dimensions. CA supported developing an approach that aligns the client's investment portfolio with these goals, which in 2024 has involved:

INVESTMENT MANAGER ENGAGEMENT

- A dedicated CA investment team monitors managers in the client portfolio and engages with them proactively and intentionally to ensure their investment strategies remain aligned with the client's specific impact, sustainability and systems change priorities.
- CA provides quarterly and annual reporting of the engagements carried out with managers in the client's portfolio, and how managers are progressing along multiple sustainability dimensions.

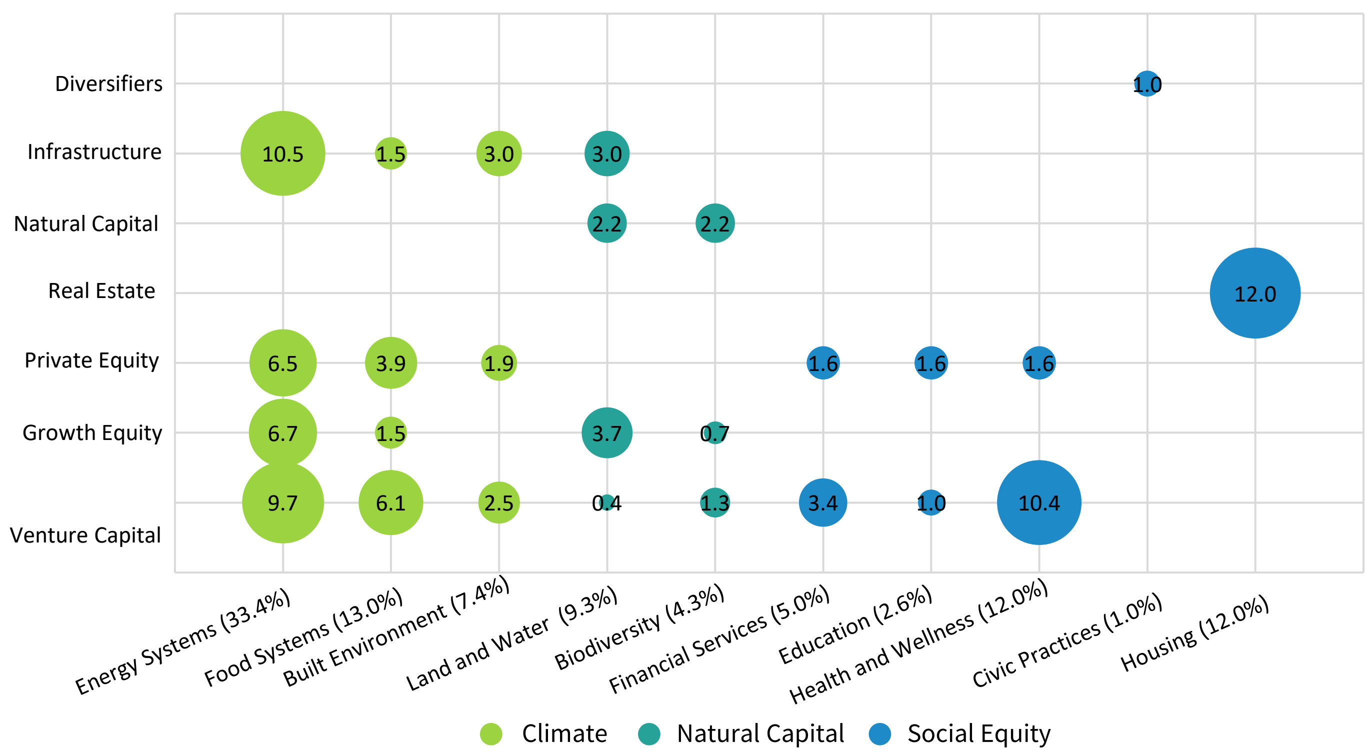
IMPACT-FIRST, CATALYTIC CARVE OUT

- In 2024, CA supported the client to develop a carve-out, representing 1.5% of the total managed assets to test new strategies, fund structures, and portfolio construction models with detailed theories of change to generate attractive economic returns and systems-level environmental or social impact at scale. Implementing the portfolio involves a high degree of engagement with emerging managers.
- The carve-out is designed not as a standalone effort, but as a platform to learn from and track systemic theories of change that can inform future engagements with traditional market-rate managers. The intention is to create feedback loops, ensuring that insights from the carve-out are actively linked back to the main pool of assets, ultimately influencing broader portfolio management practices.

SYSTEMIC SUPPORT

- CA maps the client's commitments and estimated exposure to 10 impact themes, from food systems, to education civic practices and housing (Figure 4).
- Proactive engagement with the systemic investing community through participating in working groups and industry events (for example TransCap initiative).

Figure 4: Case study (Family Client): Commitments by asset class and impact theme[6]



Principle 1: Case Study & Outcome

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

ASSESSMENT

We embed sustainability into our investment practices because we believe it makes us better stewards of capital over the long term and helps us manage systemic and sustainability risk that can manifest at any time. Sustainability analysis can identify financially material information that is not covered by conventional reporting, and we believe is additive to investment returns. Based on our business model, our approach to sustainable investing and the most impactful and relevant implementation can be further built upon and tailored to each client's needs and impact objectives.

As demonstrated through the firm's 2024 SII Survey, more than 50% of respondents representing client institutions engage in sustainable and impact investing today and approximately two-thirds of respondents reported plans to increase their allocation to sustainable and impact investing over the next five years.

Through this feedback, we observe an alignment between our clients' best interests and our firm's efforts to continually enhance our sustainability-related tools and resources, for example by implementing the new, proprietary, internal framework, the ESG-DEI Manager Assessment Framework (MAF), across our investment platform throughout 2024 and beyond.

Effective stewardship is a collective goal, and neither we nor our clients can achieve as much as we would like without progress from the investment management industry, as well as in regulation and standard setting. We are advocating constructively for this progress. Given our longstanding work with a breadth of asset owners, such as endowments, foundations, family offices, retirement schemes and insurance companies, we are able to represent to industry groups and managers how different asset owners are considering emerging topics and assessing stewardship needs for long-term investment performance. For example through industry groups like Net Zero Investment Consultants Initiative (NZICI) and the Intentional Endowments Network (IEN) outlined further in Principle 5.

Effective stewardship is an ongoing journey in order to address short-term and long-term outcomes. The needs are dynamic given evolving complexity in sustainability and macro-economic risks. We are proud of how much we have achieved over 2024, while recognising that our journey continues.

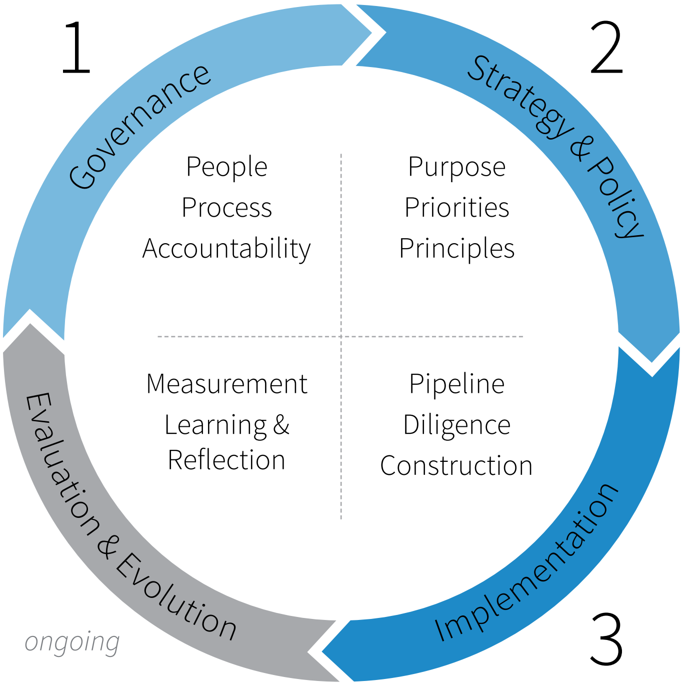
Principle 2: Activity

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

GOVERNANCE

Our portfolio construction process requires clear strategy and process, each stage is shown below:

Figure 5



Creating governance structures that are built to promote effective stewardship starts with key questions on the following:

People

– Who are our stakeholders, and why are we doing this?

– What experience and expertise do we need to be successful?

Process

– Does the current structure enable effective decision making on investments, managers, philanthropy?

– Does the current structure enable or inhibit the pursuit of impact investments?

– Have we established an efficient communication process by which stakeholders are informed of performance and impact?

– How is it measured?

Accountability

– What are the appropriate roles and responsibilities of each stakeholder?

– Is every stakeholder given an opportunity to be heard?

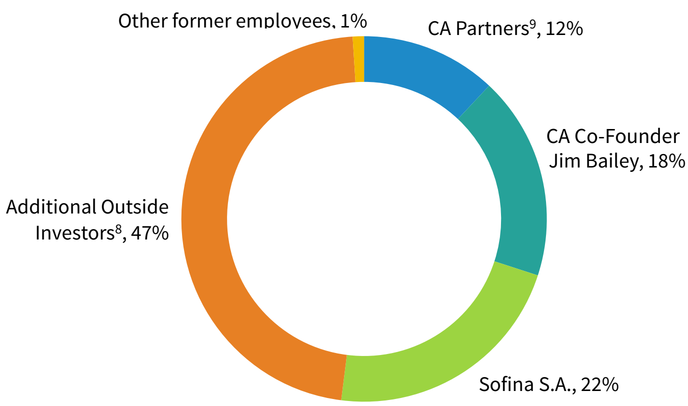
We then use a 'Three P' framework: Purpose, Priorities and Principles. The Three P framework helps ensure that asset owner beliefs and decision-making processes are advantages rather than obstacles in pursuing effective stewardship goals. By establishing guideposts, investors can link their broad motivations and objectives first to investment themes, and then to specific investment opportunities.

Figure 6: The three P's

Purpose	Priorities	Principles
Defining the "true north" of the organisation and its investments	Mapping of mission to investment themes	Articulating criteria that will inform investment decisions

Furthermore, 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 mitigating conflicts of interest. 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 there is a strong alignment of interest. This alignment of interest promotes effective stewardship because everyone is working towards a shared goal. Below, we provide our firm's ownership structure chart:

Figure 7: Ownership structure[7]



Our firm's governance processes and independent business model allow 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 that are facing up to the role they play in the investment industry and their impact on the future of our society and environment.

Principle 2: Activity

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

ORGANISATIONAL STRUCTURE AND WORKFORCE

We believe our firm is well-structured to resource stewardship activities. This involves many teams at CA including our Global Investing Group, through to our Investment Operations Group.

Our commitment to promote effective stewardship is driven by the most senior members of our firm, via CA's Leadership Team and the firm's Board. The Heads of Investment Strategy, Investment Research, Investment Services and Client Solutions are all accountable to Samantha Davidson, CA's President and Head of Global Investing (GI) (Figure 8).

Our Sustainable and Impact Investing (SII) and Diverse Manager Investing (DMI) team members are embedded in Cambridge Associates' Global Investment Research platform (Figure 9). These teams source and evaluate investment strategies with strong sustainable, impact, and / or diverse manager characteristics across all asset classes (Figures 9 & 10).

They also have a role to work with the rest of the Global Investing platform to ensure the bar for stewardship including sustainability activities, remains high and that good practices on engagement & stewardship, ESG, climate, diversity are incorporated throughout standard firm processes. This model allows for the SII and DMI teams to operate as an integrated platform with our Investment Research and Investment Services team, as shown in Figure 10.

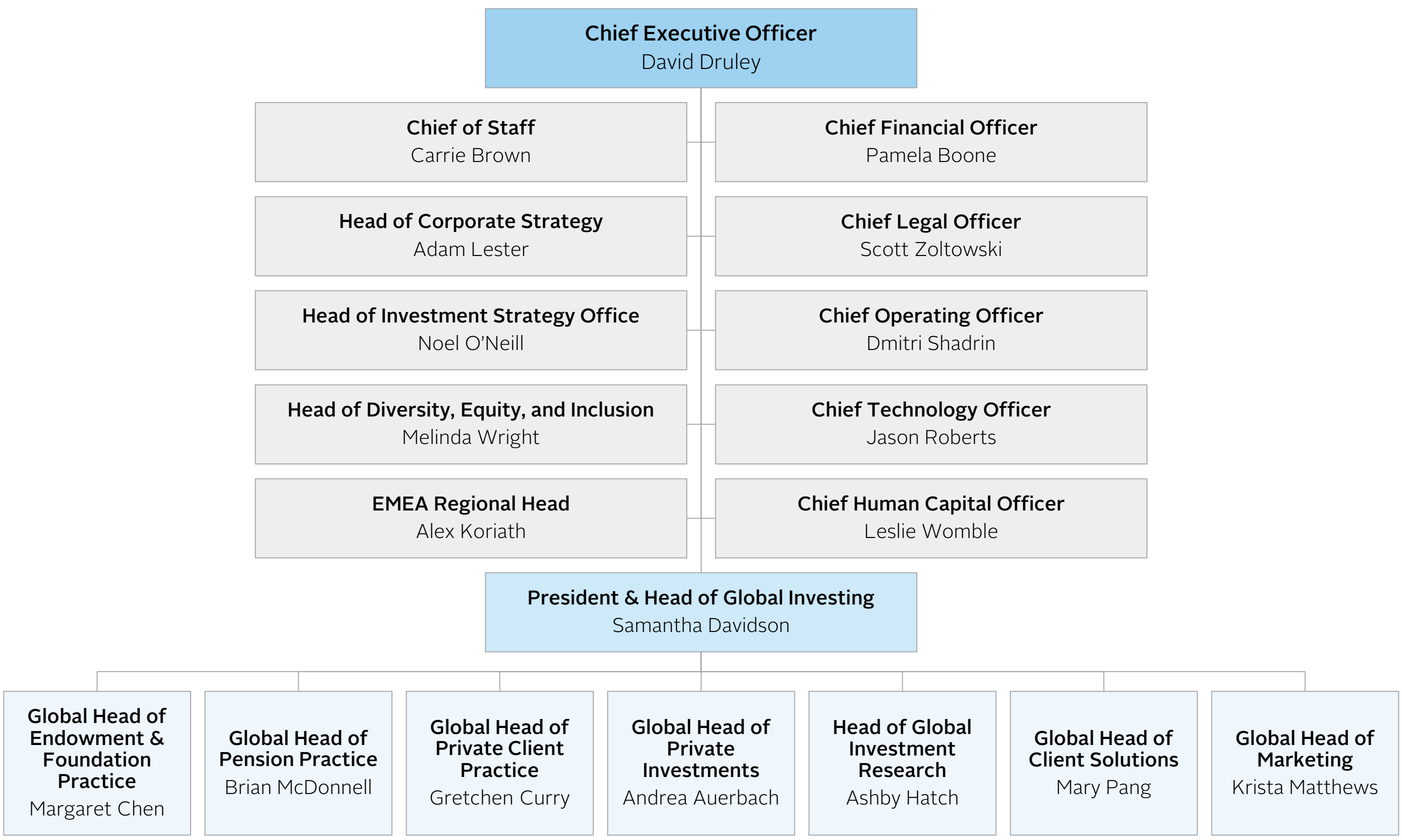
We have two Councils that provide leadership on Sustainable and Impact Investing as well as Diverse Manager Investing. The Councils include senior leaders from both investment research and investment professionals working directly with clients:

1. SUSTAINABLE AND IMPACT INVESTING COUNCIL[10]

We formed a Council dedicated to SII in 2018 – it is a global team composed of investment research, portfolio management, and client solutions professionals. 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.

The Council is led by three partners of the firm and is based globally to provide the greatest insights. Annachiara Marcandalli, one of our Partners in the United Kingdom

Figure 8: Cambridge Associates leadership team[11]



Principle 2: Activity

Figure 9[10]

Investment Manager Research

Focuses on uncovering the best investment ideas across all asset classes.

Public Equities
Eric Thielscher

Global/International Equities
US Equities
Emerging Markets Equities
European Equities
Asian Equities

Hedge Funds
Joseph Marenda

Global Long/Short Equity
Event Driven
Systematic
Trend
Global Macro
Managed Futures

Private Investments
Andrea Auerbach

Private Equity
Venture Capital
Distressed for Control
Secondaries
Co-investments
Direct Investments

Real Assets
Marc Cardillo

Private Real Estate
REITs
Private Infrastructure
Listed Infrastructure
Natural Resources
(Energy, Mining, Timber)

Credit
Frank Fama

Distressed
Mezzanine
Direct Lending
Leveraged Loans
High Yield
Investment-grade
Fixed Income

Sustainable & Impact Investing
Focuses on a broad range of strategies across marketable and private asset classes, including ESG, socially responsible investing and sustainability.

Diverse Manager Investing
Focuses on sourcing and evaluating women- and minority-owned managers across asset classes.

Operational Due Diligence
Assesses the operational business risk of managers who have undergone our investment due diligence process and met our rigorous standards. This team evaluates a number of factors including people, systems and service providers to ensure that a manager's business infrastructure is appropriately structured, resourced and supported.

Capital Markets Research
Publishes research and insights to identify and highlight market risks, trends and opportunities.

Chief Investment Strategist
Provides a top-down view on asset class opportunities and macro-economic issues.

Investment Science
Applies data science to build systems that bring scale and insight to our investment teams.

Figure 10: Specialised teams are embedded in our research platform to source and evaluate investment strategies with strong Sustainability, impact, and/or diverse manager characteristics across all asset classes[10]

✓ Public equities ✓ Hedge funds ✓ Private investments ✓ Real assets ✓ Credit

Sustainable & Impact Inveseting	Diversity Investing
Liqian Ma Head of Sustainable & Impact Investing Research	**Jasmine Richards** Head of Diverse Manager Investing
14 investment professionals fully focused on a broad range of strategies including ESG, socially responsible investing, and sustainability	**4** investment professionals fully focused on sourcing and evaluating women- and minority-owned managers

SII & DMI teams provide strong investment ideas and build good practices for **400+** investment professionals building and managing portfolios across the client spectrum

- Endowments & Foundations
- Governments & Insurance
- Healthcare Systems
- Pensions
- Private Clients

has been part of the Council leadership team for nearly five years. Oversight of sustainability integration and stewardship comes directly from our firm leadership and reflects our conviction on the relevance of sustainability for both our firm and our clients.

Figure 11: Members of the SII Council are below, with all data as of 31 December 2024

Research	Portfolio Management
Liqian Ma, Partner, SII Lead (Co-Chair)	Tom Mitchell, Partner (Co-Chair)
Carolina Gómez, Investment Director	Annachiara Marcandalli, Partner, SII Lead Europe (Co-Chair)
Chavon Sutton, Senior Investment Director	Carolina Gómez, Investment Director
David Gowenlock, Investment Director	Mike Pearce, Managing Investment Director
Di Tang, Senior Investment Director	Simon Hallett, Partner, Head of Climate Strategy
Jasmine Richards, Managing Investment Director & Head of DMI	Antonella Amatulli, Senior Investment Director
JP Gibbons, Senior Investment Director	Wendy Walker, Managing Investment Director
Madeline Clark, Investment Director	Devyani Daga, Managing Investment Director
Marie Ang, Investment Director	**Client Solutions**
Sarah Edwards, Senior Investment Director	Dan Smith, Director
Deborah Christie, Managing Investment Director	Susannah McCrea, Director
Theresa Hajer, Partner, Managing Investment Director	

2. DIVERSE MANAGER COUNCIL[10]

Our Diverse Manager Council offers strategic guidance on the firm's diverse manager strategy and promotes the exchange of best practices and insights. This group includes a balanced representation of colleagues around the globe and firm practice areas, from Global Investing, to the DEI Office, and Global Client Solutions. Members convene bi-monthly to share information, provide updates, and approve key initiatives. Decisions are made by the Executive Committee, a six-member voting body.

Figure 12: Members of the DEI Council are below, with all data as of 31 December 2024

Executive Members (Voting)	Council Members
GIR – Jasmine Richards, Managing Investment Director, Head of DMI (Chair)	E&F – Keon Holmes, Managing Investment Director; Sean McLaughlin, Managing Director; Mike Pearce, Managing Investment Director; Omar Sanchez, Partner; Wendy Walker, Managing Investment Director
GIR – Ashby Hatch, Partner & Head of Global Investment Research	Private Client – Ming Yan, Managing Investment Director
DEI Office – Melinda Wright, Partner & Global Head of DEI	GIR – Deborah Christie, Managing Investment Director; Carolina Gómez, Investment Director; Theresa Hajer, Partner; Chavon Sutton, Senior Investment Director
E&F – Margaret Chen, Partner & Head of Endowments & Foundations	GCS – Brian Taylor, Managing Director; Dan Desmarais, Managing Director; Marcus Alexis, Senior Director
Pension – Sona Menon, Partner	Internal Communications – Kofi Jones, Managing Director
Private Client – Gretchen Curry, Partner	Public Relations – Randi Casciano, Senior Director

Separately, an internal DEI Council ensures our overall DEI strategy is aligned with our business, monitors strategy execution and outcomes, and reports overall DEI progress to the firm's management.

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

The Senior Staff[10] (Figure 8 & 10) on the teams and councils described have an average tenure at Cambridge Associates of approximately 11 years, ranging from three years to 25 years.

They have prior experiences at leading global financial institutions, impact investment firms, government agencies, and non-profit organizations. Their backgrounds encompass asset allocation, portfolio management, investment banking, and ESG and impact investing, ensuring a robust approach to stewardship.

The breadth of roles, as listed below, helps Cambridge Associates achieve comprehensive coverage of stewardship activities:

- Global Head of Sustainable and Impact Investing Research
- Head of Diverse Manager Investing
- European Head of Sustainable and Impact Investing
- Head of SII Integration Strategy
- Head of Climate Strategy
- Head of Diversity, Equity & Inclusion
- SII Investment Directors
- DMI Investment Directors
- Practice-specific Managing Investment Directors and Partners

EMPLOYEE RESOURCE GROUPS

Our Employee Resource Groups are communities that exist so our colleagues can connect, support one another, and advance efforts to create a more inclusive culture at Cambridge Associates. They offer a safe space and a sense of belonging, and provide our employees with varying opportunities to advance the firm's commitment to Diversity, Equity and Inclusion across all our activities.

We have five 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. Each Employee Resource Group continues to

Principle 2: Activity

be available for participation to all colleagues across our offices:

CA Ability

CA Ability focuses on raising awareness for employees with disabilities, both visible and non-visible, and as caregivers—working to educate, dismantle stigma, and promote physically accessible and emotionally safe spaces for those facing these challenges.

CA Pride

CA Pride is dedicated to representing LGBTQ+ employees, establishing CA as a leader on initiatives to improve the workplace environment and professional development of LGBTQ+ colleagues, and addressing issues affecting opportunity for members of the LGBTQ+ community and their health and well-being.

CA Mosaic

CA Mosaic is dedicated to representing ethnically diverse colleagues within the CA community, increasing firmwide diversity and inclusion, building community, providing support, enhancing career development and contributing to the personal development of our diverse staff.

CA Women

CA Women connects women and allies across our global community. Its focus campaigns change from year to year, but its mission remains the same. CA Women is dedicated to cultivating an inclusive, equitable and supportive culture to ensure women thrive and are heard at CA.

CA Allies

CA Allies is committed to ongoing listening, learning, and advocacy. They stand up, promote, support, and use their voices to amplify those of our underrepresented CA colleagues, so every member of our community is safe to be their truest self.

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

IMPLEMENTING A PROPRIETARY ESG-DEI MANAGER ASSESSMENT FRAMEWORK (MAF)

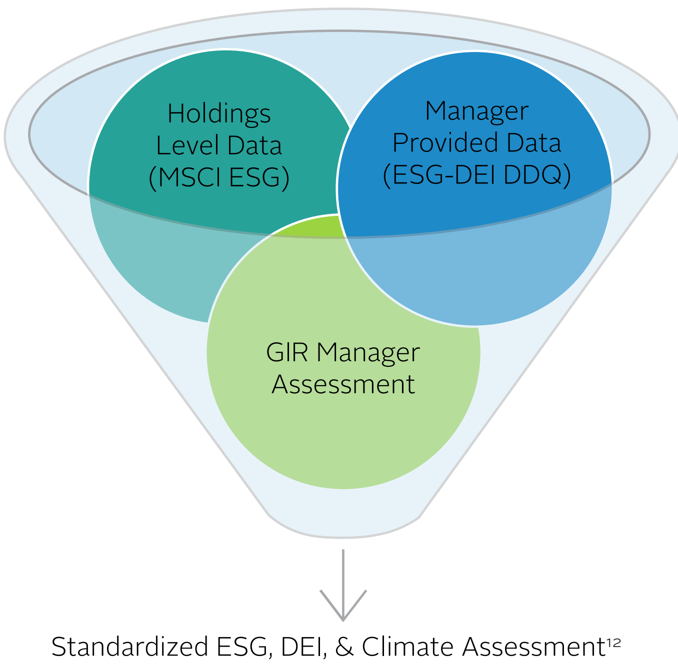
As mentioned in Principle 1, all CA research teams incorporate sustainability assessment in the manager due diligence process using CA's proprietary ESG-DEI Manager Assessment Framework (MAF), for the purpose of improving long term return prospects. The MAF is a result of efforts that began in 2022 for a wholesale rebuilding and expansion of our approach to manager assessment of various sustainability dimensions including Climate Competence and Net Zero Alignment, ESG, DEI and Stewardship[12] as well as the formal assignment of related Engagement Priorities over the course of our relationship with the manager.

This framework was finalised in Summer 2023, with training across our Research groups beginning in Autumn 2023 and implementation beginning in February 2024. Integrating sustainability risks and opportunities into our investment process is necessarily an ongoing task, and this new research framework should be seen as one component of a process of continuous improvement and raising standards. In addition to formal training sessions, CA SII team members hold regular office hours sessions to ensure all investment colleagues have access to resources and expertise to enable high quality analysis and integration into client portfolio construction.

WELCOMING A NEW HEAD OF SII INTEGRATION

In 2024, Quyen Tran joined Cambridge Associates as head of SII Integration Strategy to lead the integration of concepts and data analytics to advance thought leadership and support clients in their sustainable and impact investing journey. Quyen has over 20 years of industry experience, with prior experience as BlackRock's Global Director of Impact Investing, where she led research, standards, and strategy for impact investing across asset classes. Earlier in her career, she advised endowments and foundations at Cambridge Associates and led the global training program for investment associates.

Figure 13



Principle 2: Activity

ESG & DEI DASHBOARD FUNCTIONALITY ON CA PLATFORM

The firm's proprietary platform, Portfolio Workbench, provides access to a tool for staff to view manager reported data on total portfolio ESG and DEI from the Due Diligence Questionnaire. iLevel, a separate tool dedicated to monitoring private investment portfolios, has similar features. There are two main components to the tool to enable easier client reporting[12]:

Figure 14

ESG-DEI Table	Diversity Composition
Responses from managers to ESG-DEI Questionares – Covers ESG policies, climate integration, Net Zero, stewardship, exclusions, SFDR and diversity composition Functionality to export table to Excel for customised exhibits	Single asset view of manager reported diversity composition of ownership, management committee, investment committee and total professionals Highlights funds with diverse representation of 33%+ and 50%+

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

DUE DILIGENCE PROCESS

Our assessment process, shown in the table that follows, provides clients with a rich set of investment opportunities with managers aligned with their stewardship objectives. In 2024, our Sustainable and Impact Investing team hosted over 300[13] manager meetings with ESG, impact and diversity attributes across all asset classes. Meanwhile, all CA due diligence, regardless of strategy or asset class, follows the same consistent process of assessment of ESG, DEI and Climate Competence reflected in our due diligence reports. CA's investment research is thoroughly vetted in a governance structure emphasising robust peer reviews, with final assessments by investment committees comprised of asset class experts from our offices around the world (Figure 15).

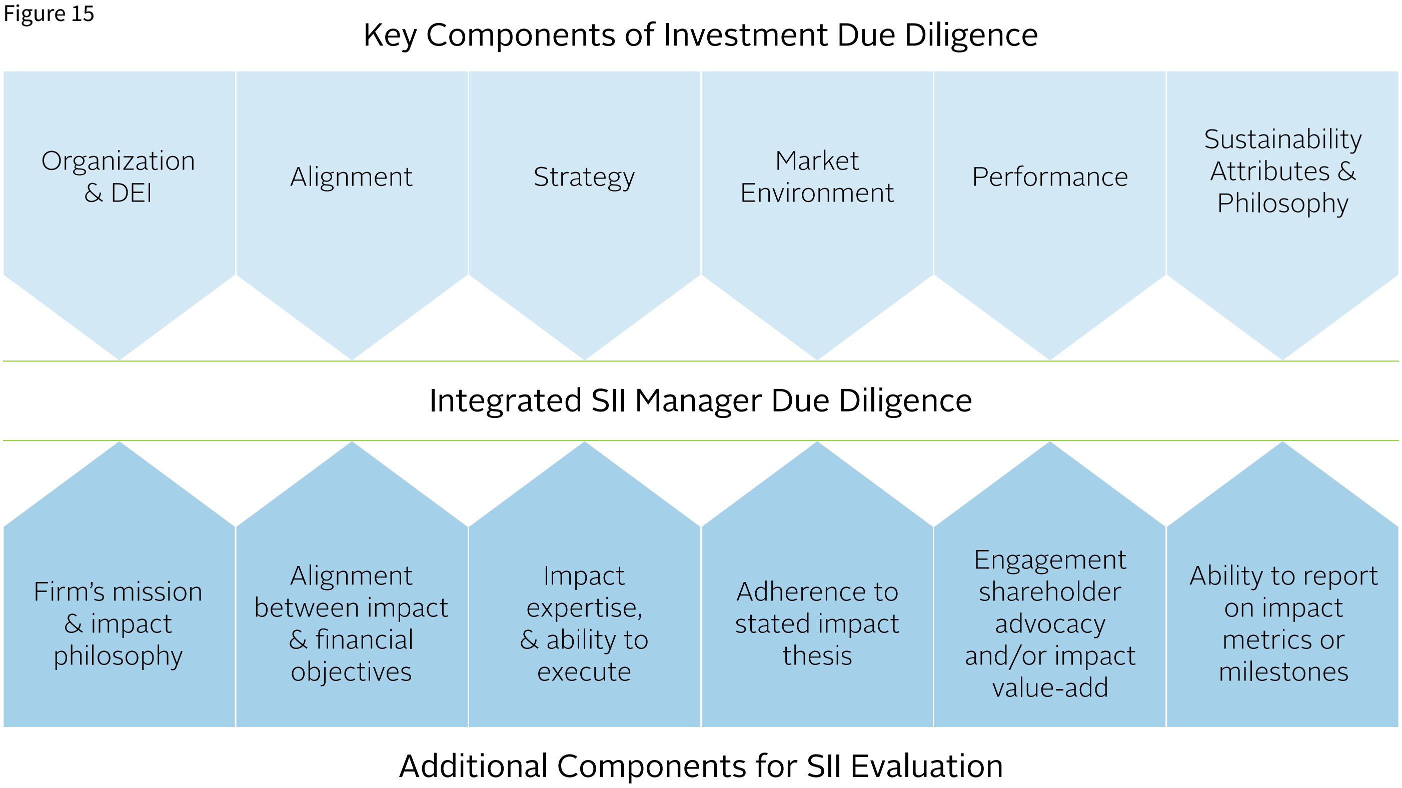
Our research teams track managers with a view to identifying strong investment ideas globally and across asset classes, including managers which have advanced sustainability, ESG, or diversity characteristics. The team will then meet with them continuously to grow the pipeline of best ideas for client portfolios (Figure 16).

ENSURING QUALITY AND ACCURACY – SUSTAINABILITY[12]

Our detailed due diligence questionnaires on ESG, Climate, Biodiversity, Stewardship and Diversity, are adapted for different asset classes, and have been materially enhanced over time to expand analysis of how managers integrate sustainability in their investment practices (Figure 17).

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 focuses on the

Figure 15



Principle 2: Activity

Figure 16: Cambridge Associates tracks investment managers across asset classes and around the world[14]

Asset Class	Managers Tracked	Funds Tracked
Marketable Securities[15]	**2,037**	**10,915**
US Equities[16]	980	2,469
Global ex US Equity[17]	1,968	4,069
US & Global Balanced[18]	232	462
US Fixed Income[19]	711	2,048
Global ex US Fixed Income[20]	564	1,411
Real Estate & REITs[21]	236	352
Commodities	60	104
Private Investment Funds[15]	**7,000**	**28,596**
US Private Equity[22]	1,189	4,226
US Venture Capital	1,522	5,152
Global ex US PE[22]	1,294	4,238
Global ex US VC	937	2,579
Control-Oriented Distressed	183	574
Infrastructure	274	895
Real Estate	1,046	4,073
Natural Resources[23]	418	1,339
Funds of Funds & Secondaries (Real Assets)	37	190
Funds of Funds & Secondaries (ex Real Assets)	385	2,540
Private Credit[24]	725	2,420
Co-Investment	238	370

Asset Class	Managers Tracked	Funds Tracked
Hedge Funds[15]	**2,413**	**3,474**
Concentrated Long	101	106
Convertible Arbitrage	19	19
Credit Opportunities	336	499
Dedicated Short	6	7
Fixed Income Arbitrage	22	24
Fund of Hedge Funds	165	267
Global Macro	263	360
Long/Short Equity	1,091	1,267
Managed Futures	88	108
Market Neutral	102	112
Multi-Strategy	374	445
Risk Arbitrage	37	42
Statistical Arbitrage	16	16
Other	175	202

Figure 17: ESG and diversity considerations are integrated in every step of the rigorous diligence process

Our Goals

Find the best managers | Get to conviction quickly | Invest in the right managers at the right time | Get the best economic alignment for clients

assessment of managers voting policies and track records where we seek to gain comfort with their approach and alignment to strategy. We assess how DEI objectives are integrated on a firm level per asset manager as well as the extent it is reflected in a manager's investment strategy. We examine the diversity of the fund's ownership, leadership, investment and platform team, as well as the organisation's overall approach to diversity, as integral components of the fund's evaluation for investment.

For private investments, we consider how ESG initiatives are directly supported in underlying holdings. This is delivered during due diligence and monitoring of investment managers through a web-based platform that also collects appropriate supporting documents covering policy and reported outcomes.

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.[12]

We have continued to systematise climate risk considerations across our entire platform during the reporting period. In addition to the MAF, bespoke grading systems for our clients consider an analysis of underlying positions, using external tools. We tailor this analysis to each specific client's requirements.[12] 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, PRI reporting, new Sustainable Finance Disclosure Regulations (SFDR), net zero frameworks).

STAFF TRAINING & CONTINUOUS LEARNING

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.

We aim to build a global culture where CA and our clients benefit from a full range of perspectives. Focusing on increasing diversity of thought, experiences, and skills within the investment industry helps us to drive high-quality debate, generate superior investment performance, and achieve business results.

Our commitment to creating opportunities for continuous learning is demonstrated both inside and outside the walls of Cambridge Associates. Inside our walls, we offer several learning opportunities to actively foster a diverse and inclusive culture for all colleagues.

Our foundational program, BE@CA, intended to build firmwide awareness and knowledge on foundational DEI concepts and equip employees with the necessary tools to actively foster a diverse and inclusive culture for all CA colleagues, completed its third successful year in 2024. As of the end of 2024, close to 40% of the CA community had voluntarily participated in this ten-hour training program.

As part of new joiner induction and our in-house continual learning INVEST training programmes across seniority levels include DEI, and Diverse Manager Investing, and Sustainable and Impact Investing modules which are regularly updated. Since 2023, CA has run standalone Net Zero and Climate Risk modules.

In 2024, CA piloted an innovative reverse-mentoring program successfully with 18 participants in the London office. With more junior colleagues acting as "mentors" to the most senior professionals at the firm, this mentoring program aimed to further develop the inclusivity of our office by enabling new and meaningful connections across seniority and function lines. The program helped enable actionable insights for senior leaders as people managers and cultural ambassadors and will be rolled out more widely across the firm in 2025.

Outside our walls, we know that the best way to encourage the next generation of talent is introducing them to our industry early. We ran CAMPP (Cambridge Associates: Managing Private Investment Portfolios) for a third year, a program designed for college students from various backgrounds to explore the investment industry, with a focus on private investment strategies. We also launched Basis Point, a three-day program for students from historically black colleges and universities (HBCUs) designed to introduce them to the world of investment management and interact with CA professionals at all levels.

This is just a small representation of the work we did in 2024 to foster diversity, equity and inclusion within our own community and within the industry at large. We know our commitment—and our own learning—continues, and we continue to prioritise the needs of our community while being flexible to evolve and adjust as the world around us continues to change. There is more to do; the work is never complete. But we are proud of how far we have already come.

NET ZERO THINK TANK

To ensure diversity of thinking and foster buy-in across the firm, we created a Net Zero Think Tank, chaired by the Head of Climate Strategy and consisting of senior investment colleagues representing different asset classes and client groups. The Think Tank's role is to develop Cambridge Associates' approach to a) meeting the net zero commitment and b) communicating key messages to colleagues, clients and prospects.

The Think Tank reviews and approves strategic proposals before escalating them as necessary for decision. A five-person Sustainability and Impact Investing (SII) executive team, which includes the Head of Climate Strategy, coordinates and prioritises execution of the strategy and passes projects to specialised working groups across the firm.

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

STEWARDSHIP OF CLIENT ASSETS

As mentioned previously, CA is greatly aware of our role as stewards and advisors for client capital. Every investment professional in our Research and Portfolio Management teams are responsible for their contributions to stewardship.

This begins with a due diligence and Investment Committee process, consistently applied to assess a manager for their organisation, team, diversity, investment process & strategy, competitive advantages, performance, risk management, ESG, business risk, terms and alignment of interests. This continues with, at minimum, annual and quarterly reporting (for marketable strategies) and governance requirements to ensure that strategies are performing as expected. Annual performance reviews of Research professionals include assessment of investment competence and ongoing governance for the strategies under their remit.

Our Portfolio Management teams are responsible for executing and delivering portfolios that meet the mandate we have agreed to with clients according to their goals, risk budget, financial objectives and values. This may have been articulated with the 3Ps Framework of Purpose, Priorities and Principles. Each client relationship is unique. CA has bespoke client service arrangements, reporting and engagement cadences that cater to the unique needs of our clients. Annual performance reviews of CA investment professionals consider their investment results and investment acumen and ability to add value to client relationships.

CHRIS VARCO SUSTAINABILITY AWARD

As mentioned in the last reporting periods, following the tragic death of one of our European leaders in sustainability integration, we created the Chris Varco Sustainability Award. The purpose of the award is to incentivise and reward Cambridge Associates employees and non-profit organisations who are taking action that drives positive outcomes for sustainability outcomes.

Employee 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 investment teams better integrate sustainability analysis in their decision making;
- Someone who changes the way we manage 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.

In 2024, Sarah Edwards, a Senior Investment Director in our Sustainable and Impact Investing team, won the award for her innovation and initiative in spearheading the ESG Framework we now adopt at CA, which culminated in the ESG-DEI Manager Assessment Framework (MAF). This framework was developed over 2023 but we have really seen the fruits of this work in 2024. CA colleagues completed assessments for approximately 270 strategies across all asset classes, public and private, since the last Stewardship Code reporting period. The application of this framework has meaningfully advanced our integration of material sustainability factors in our research process. This integration will help with manager engagement, portfolio construction, client reporting, and regulatory compliance objectives.

The 2024 non-profit award winner was Project Drawdown, a U.S.-based organisation dedicated to combating climate change swiftly, safely, and equitably. As a trusted and independent guide for global climate action, their mission combines cutting-edge research, stakeholder engagement, and storytelling. They identify and scale the best climate solutions, empower leaders across philanthropy, business, and policy to take bold action, and transform the narrative on climate change from despair to opportunity by showcasing new voices and climate heroes. Driven by the belief that science must be both rigorous and compelling, their work inspires transformative solutions and a sustainable future.

Principle 2: Activity

REMUNERATION

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.

APPROPRIATE FEES

For the majority of our 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:

- We offer a 90-day termination clause to all CA Ltd clients to provide flexibility to our clients.[25]
- 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.
- 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.

We 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. Also, we have 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. We can use our scale to negotiate manager fees and terms for our clients as shown in the fee negotiation exhibit.

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

As we showed in the previous sections, our governance structure combines firm/global leadership and strategy with more granular support from dedicated individuals in the SII Council and DEI Council that focus on the necessary infrastructure and processes to support stewardship.

We believe that we continue to move in the right direction and, as evidenced throughout this report, the day-to-day integration of stewardship factors is being applied across much of our global business.

Our view remains that there are two key components that contribute to CA's effectiveness in assisting clients achieve their stewardship objectives:

- Our business model is built around our ability to customise advice and create portfolios that align with a client's mission and contribute towards it. We don't have model portfolios in which to fit clients. Rather, we build each client's portfolio from the ground up. This means that we design the asset allocation and the implementation choice of managers around each client's unique circumstances and overall objectives, including stewardship and sustainability. This setup allows for tailoring and creates the proper grounding for a truly long-term approach. We see evidence of the success of this approach in the long tenure of our client relationships. We have a retention rate of 96% over the last five years.[26]
- Our clients also come to us because they are interested in learning from their peers. We service this need by offering access to best practices and by sharing stories of effective integration of sustainability and successful stewardship of investment portfolios.

We provide access to best practices by showing comparative analysis on sustainability integration that is gathered every two years. The survey provides a comprehensive picture of how clients are thinking about and practicing sustainability, net zero and impact investing – digging into investment structure, implementation strategies and how they tackle governance and measurement. Clients also continue to show a keen interest in case studies that they can learn from.

Principle 3: Activity

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

IDENTIFYING AND MANAGING CONFLICTS OF INTEREST

The identification, avoidance or management, and mitigation of conflicts of interest is an ongoing process. Cambridge Associates believes 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.

PUTTING THE BEST INTERESTS OF CLIENTS FIRST

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 that reflects our client first approach. 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 actual or potential conflicts of interest when conducting manager research or recommending managers to our clients. 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 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 behaviour.

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, as shown in the fee negotiation exhibit earlier in this document, 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 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.

Principle 3: Outcome

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

As a Firm, we have taken significant steps to mitigate conflicts of interest for our clients. We have been very thoughtful in our approach to working with investment managers insofar as not engaging in activities where we are being paid by them for either recommending their products or being on our investment research platform.

We have also been similarly thoughtful in the way that we structure fees for clients, with the intention of retaining the objective ability to recommend what we think may be the best investment option for a client, factoring in their specific investment goals and parameters.

As a matter of principle, we do not charge different fees for sustainable and impact or diverse manager assets so that we are not conflicted to recommend or not recommend specialised investments. We also take great care to ensure that what is recommended is consistently researched and understood by our investment professionals.

The ESG-DEI Manager Assessment framework furthers this goal by defining for our researchers a consistent and uniform evaluation methodology when considering ESG and DEI attributes. The guardrails our framework creates ensure that the lens researchers utilise to consider ESG and DEI factors are not biased by personal perspectives, priorities or motivations.

We believe that the product of the way we interact with investment managers, the way we structure our fees with clients, and the research parameters we have implemented in-house, is a robust investment service offering that mitigates conflicts of interest and aligns us with our clients' goals and expectations.

To further align us with clients, we created an employee investment solution that allows managing directors and partners to obtain exposure to high conviction ideas. Recognizing the conflict of interest, we placed a restriction on the employee investment solution so that it wouldn't be able to make investments with terms more preferential than what are offered to our clients with respect to access, liquidity or fees. This construct further aligns us with clients when negotiating fees and terms as it incentivizes us to pursue negotiations that benefit all our clients regardless of service type.

We believe that when conflicts of interest are properly understood and mitigated, they can identify opportunities that lead to improved outcomes for our clients.

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

Cambridge Associates' approach to managing systemic risk is comprehensive and proactive, encompassing identification and monitoring, risk assessment and analysis, diversification and risk mitigation, robust due diligence, dynamic portfolio management, client education and industry collaboration. By staying vigilant and adaptive, CA ensures the stability and integrity of clients' investments and contributes to the overall health of the financial system. We describe how we approach each of these areas in more detail below:

Global Economic Indicators

CA continuously monitors global economic indicators, such as GDP growth, inflation rates and unemployment levels, to identify potential sources of systemic risk.

Market Trends and Developments

The firm keeps a close watch on market trends, including asset price movements, liquidity conditions and credit spreads, to detect early signs of systemic stress.

Geopolitical Events

CA assesses geopolitical events and their potential impact on the financial system, including trade tensions, political instability and regulatory changes.

RISK ASSESSMENT AND ANALYSIS

Stress Testing

CA conducts stress tests to evaluate the impact of various adverse scenarios on investment portfolios and the broader financial system. These tests help identify vulnerabilities and potential points of failure.

Scenario Analysis

The firm employs scenario analysis as needed to assess the potential outcomes of specific risk events, such as financial crises, natural disasters and pandemics. This analysis helps in understanding the potential ripple effects across the financial system.

DIVERSIFICATION AND RISK MITIGATION

Asset Allocation

CA emphasises diversified asset allocation to spread risk across different asset classes, sectors, and geographies. Diversification helps reduce the impact of systemic shocks on portfolios.

Alternative Investments

The firm incorporates alternative investments, such as private equity, hedge funds and real assets, to reduce correlation with traditional markets and enhance portfolio resilience.

Hedging Strategies

CA employs hedging strategies to protect portfolios from adverse market movements and systemic risks. These strategies may include the use of derivatives, such as options and futures.

ROBUST MANAGER DUE DILIGENCE AND MANAGER SELECTION

Manager Evaluation

CA conducts thorough due diligence on investment managers to ensure they have robust risk management practices in place. This includes assessing their ability to navigate systemic risks.

Operational Risk Assessment

The firm evaluates the operational risks of investment managers, including their governance structures, compliance frameworks and business continuity plans. This helps ensure that managers are well-prepared operationally to handle systemic events.

DYNAMIC PORTFOLIO MANAGEMENT

Active Management

CA employs active management strategies to adjust portfolios in response to changing market conditions and emerging systemic risks. This includes rebalancing portfolios and adjusting asset allocations as needed.

Liquidity Management

The firm ensures adequate liquidity in portfolios to meet clients' needs and navigate market disruptions. Maintaining sufficient liquidity helps mitigate the impact of systemic shocks.

Regulatory Engagement

CA engages with regulatory bodies and industry associations to stay informed about regulatory changes and advocate for policies that promote financial stability. This collaboration helps in addressing systemic risks at a broader level.

Industry Collaboration

The firm collaborates with other investment firms, financial institutions, and academic institutions to share insights and best practices for managing systemic risks (see below section).

Principle 4: Activity & Outcome

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

COLLABORATION WITH SUSTAINABILITY AND NET ZERO INITIATIVES

We have long been engaged within the investment industry to support field-building efforts around sustainability practices. Our commitment to net zero has enabled us to continue that work and give more dedicated energy toward net zero specific engagement. Cambridge Associates is member and signatory to a number of initiatives and organisations that enable us to do this work more effectively at scale. Our participation ranges from founding members, board and steering committee involvement, working group members, signatories, paper co-authors, and event speakers. A few examples of these organisations include NZICI, Institutional Investors Group on Climate Change (IIGCC), Initiative Climat International (iCI), Glasgow Financial Alliance for Net Zero (GFANZ), Confluence Philanthropy, Mission Investors Exchange, Intentional Endowments Network (IEN), UK Stewardship Code, ILPA ESG and DEI work, Investment Consultants Sustainability Working Group (ICSWG – US and UK), GenderSmart, Interfaith Center on Corporate Responsibility (ICCR), ESG Data Convergence Initiative (EDCI), CREO Syndicate, Global Adaptation and Resilience Investing (GARI) Working Group, The Investment Integration Project (TIIP), and TransCap Initiative, amongst others.

To share some examples:

- In our work with the Intentional Endowments Network (IEN), much of our previous involvement continues, including active participation in IEN's Net Zero working groups. In June 2024, CA Investment Managing Director, Chavon Sutton, was appointed to the IEN Board of Directors. CA's board-level engagement supports ongoing discussions shaping the initiative's future trajectory. We continue to lead discussions and training sessions with the IEN on net zero integration in investment portfolios, particularly for asset owners who rely on third-party investment managers. This remains a priority area for ongoing engagement, as we continue to provide practical guidance and frameworks for institutional investors with limited direct access to individual securities due to their reliance on external managers. IEN's annual forums continue to address how institutions can sustain momentum in intentional investing, focusing on topics such as Sustainable & System-Level Investing, Fiduciary Duty, and Responsible Technology and Artificial Intelligence.
- Elsewhere, Cambridge Associates' Partner & Managing Director, Tom Mitchell, participated in a panel at *Confluence Philanthropy's* 14th Annual Practitioners Gathering, contributing to an in-depth discussion on the real challenges of decarbonizing the economy and meeting net-zero commitments.
- Our Head of Climate Strategy, Simon Hallett, remains a co-Chair of the *Net Zero Investment Consultants Initiative (NZICI)*, and is participating in the *IIGCC's External Fund Managers Working Group*. Throughout 2024, the working group collaborated on a discussion paper which was published for consultation in 2025.
- Cambridge Associates participated in an EDCI in-person discussion during NYC Climate Week in 2024 where we shared best practices and challenges with GPs and other LPs relating to EDCI data collection and reporting.
- As part of *GFANZ's Index Investment Workstream*, Cambridge Associates supported the group in delivering a draft consultation paper published in October 2024. However, following GFANZ's restructuring in December 2024, GFANZ took the decision to formally conclude the Index Investing workstream as they prioritise other areas.

WORK WITH REGULATORS & POLICY MAKERS

Although policy advocacy is not a core component of our work as firm, we recognise net zero and broader system stability are collective goals, wherein the benefits can be realised only by acting alongside other stakeholders. We have had the opportunity to engage with policymakers in several forms over the last few years and find these engagements to be most effective when we raise our voice alongside our peers. Specifically, we have found the Investment Consultants Sustainability Working Groups, both in the United States and United Kingdom, thoughtful partners in this work.

On our own and through our collective work in ICSWG US & UK, have had the opportunity to address specific rules and guidelines set out by the UK FRC, US Department of Labor, Securities and Exchange Commission, CFA Institute, and more general letters to government on climate issues. One further example of engagement with government is participation in a discussion with members of the US government and Department of Energy (DOE) at the White House to advance the energy transition and to provide feedback to the DOE on how to advance the transition in a sensible way to enable the best outcomes for all stakeholders. We aim to promote greater transparency on climate in all our advocacy work and provide constructive feedback where most applicable to our work with clients.

PARTNERSHIPS IN DEI

We are proud to partner with many of the world's leading organisations that are working to create a more diverse and inclusive society. From helping to source candidates for the financial services industry and identifying best practices to creating dialogue among business leaders and sponsoring conferences to promote equality, we have developed a significant number of partnerships. These include: 10,000 Interns Foundation; 100 Women in Finance; Association of Asian American Investment Managers; Black Women in Asset Management; Disability:IN; Girls Are Investors ('GAIN'); Girls Who Invest; HeadStart Fellowship; Human Rights Campaign; ILPA Diversity in Action Initiative; Allocator Collective; Institutional Investing Diversity Cooperative (IIDC); Invest in Girls; Investment20/20; Investment Diversity Advisory Council (IDAC); The Investment Diversity Exchange (TIDE); Milken Institute; Management Leadership for Tomorrow (MLT); New America Alliance; Out & Equal; Progress Together; PurpleSpace; Reaching Out MBA (ROMBA); Robert Toigo Foundation; Somos VC; Sponsors for Educational Opportunity (SEO); Stonewall UK; StrengThening Race and Equity in Asset Management (STREAM); United Negro College Fund (UNCF); and WorkLife Central. We are proud to highlight below some of those organisations and their missions:

- CA sponsored Somos VC's Annual Summit, which took place in October in San Francisco. The Summit is designed to foster connection, learning, and professional growth among Latino/a VCs and their allies. The summit's theme was "Innovating Forward, Grounded in Tradition," reflecting a commitment to both innovation and the foundational values of the community.
- CA also sponsored and participated in the Toigo Foundation's 2024 Gala. Toigo's focus on advancing more inclusive and diverse leadership within finance and beyond aligns with our CSR and DEI philosophies.
- CA became a signatory to the *CFA Institute* and *CFA Inclusion Code* in Singapore in 2024. Cambridge colleagues collaborated with peers across the Singapore financial landscape in the CFA Society of Singapore's Working Group to develop the first DEI Code effort in Asia. The voluntary set of principles is designed to help financial services organizations build more resilient businesses by addressing challenges arising from cultural, demographic, and societal differences.

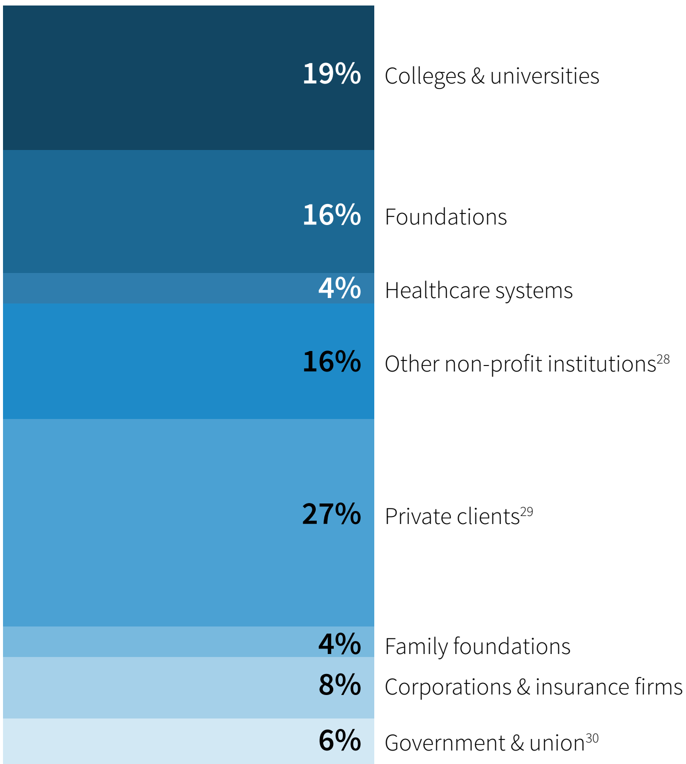
Principle 5: Activity

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

Our client base consists of both institutional (endowment and foundation, pension, etc.) and private wealth professional clients. A detailed breakdown as at December 31 2024 is provided below:

Figure 18[27]



These clients are based all around the world and represent more than 30 individual countries, shown below:

CLIENT GEOGRAPHY

Figure 19

United States	744
Latin America	9
Canada	24
United Kingdom	82
Europe ex UK	86
Middle East & Africa	26
Asia	37
Australia/New Zealand	20
Total	**1,028**

COMMUNICATING OUR CLIENT STORIES

In 2024, we released Season Four and Five of our client-centric podcast, Unseen Upside, which has been successful by several measures. Since its inception, the podcast has garnered 450,000 downloads, with Season Four accounting for 173,000 and Season Five for 231,000 downloads respectively. Unseen Upside remains in the top 1% of all podcasts across all streaming platforms. The podcast aims to disseminate the stories of our firm's most ground-breaking clients and managers. As we did in the previous year, in 2024, every episode had impact investing and a client's story at its core. We provide a summary of each episode below to highlight our support for clients' integration of stewardship with material sustainability factors and how we helped communicate and amplify their activities, as well as how Cambridge Associates helped them on the journey.

CA is pleased to share that Season Four won two awards—we were named a Webby Honoree for 'Best Branded Podcast' and we received the 2024 International Women's Podcast Award for "A Moment of Visionary Leadership.

Season 4

Episode 1	Mind Matters: Making Sense of the Mental Health Crisis
Episode 2	Living Longer But Losing Our Minds: The Alzheimer's Emergency
Episode 3	Precision Oncology & Advancing Personalized Cancer Care
Episode 4	Appetite for Change: The Obesity Epidemic Meets Biotech
Episode 5	Unlocking the Dark Genome for Lupus and Other Autoimmune Diseases
Episode 6	AI & Healthcare: The Next Frontier

Season 5

Episode 1	Investing in Affordable Homes for Healthier Communities
Episode 2	Drug Affordability: The High Cost of Healing
Episode 3	From Barriers to Bridges: Rural Health Access
Episode 4	Digital Health: Transforming Care, Improving Access
Episode 5	The Maternal Health Crisis: Investing for Change

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

HOW OUR SERVICES SUPPORT CLIENTS' STEWARDSHIP

For all 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 biennial client feedback survey and biennial Sustainable and Impact Investing survey, which gather broad feedback on what clients would like to pursue.

Principle 5: Activity

The fifth edition of CA's biennial client survey on sustainability was conducted in 2024. The survey, first conducted in 2016, explores institutional thinking and practice in sustainable and impact investing.

Elsewhere, we illustrate our approach through examples of supporting clients on integrating climate considerations and/or achieving net zero goals. In our 'Client Spotlights' series, available at the link here, we provide depth on supporting clients across all aspect of stewardship including – social impact, DEI and decarbonisation.

As part of our membership of NZICI, which revised its commitments in 2024, we made a commitment to provide advice on climate change and net zero ambitions across our client base in line with their mandates by[31]:

- Working with our clients to identify how climate change impacts the risks and opportunities for their portfolio;
- Highlighting the importance for both the economy and asset values of global decarbonisation on a Paris-aligned path and consistent with the goal of net zero by 2050;
- Empowering willing clients to make a meaningful contribution to the goals of the Paris agreement through investment practices that help drive real world emission reductions, toward the goal of net zero by 2050 as well as robust interim targets;
- Assessing, monitoring and engaging with asset managers on the integration of net zero ambitions in their independent investment decisions and stewardship, and reflecting this evaluation in our client recommendations;
- With respect to our fully discretionary services – to individually set goals consistent with the target setting framework of the Net Zero Asset Manager initiative;
- With respect to our own business operations – to individually set emissions reduction targets across all our operational emissions consistent with Paris goals;
- Within the wider financial community – where suitable net zero methodologies do not exist, to work together for the benefit of our clients to address these challenges, seeking harmonised methodologies consistent with; and engage, independently or as a group, with regulators and policymakers, to facilitate the transition to net zero carbon emissions, addressing any barriers to our clients adopting and achieving their net zero targets competition law;
- Reporting progress by our firm against the commitments made here at least annually in the public domain.

As a firm, we take great pride in our ability to customise our advice and create portfolios that align with a client's mission and contribute 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 help clients implement other 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 investment teams begin their 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.
- Finally, the investment 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 more catalytic allocation which may have broader risk tolerance 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 climate and environmental sustainability, education, health and wellness, 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 appropriate 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 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.

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.

CLIENT VIEWS & FEEDBACK

Each investment 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. 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 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.

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

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

Engaging Managers on Rising Energy Consumption Associated with Artificial Intelligence

Amid growing concerns about rising energy consumption linked to Artificial Intelligence (AI), a CA investment team engaged with their clients' active global equity managers to understand how they are addressing this issue with underlying IT companies. Each manager provided information about how the topic has informed their approach to engaging with underlying companies, and many provided examples of such engagements. Some managers provided additional material, for example an analysis of their portfolio's carbon emissions.

The engagement provided the client with helpful insight and oversight of how their portfolio is addressing this impactful theme, providing reassurance their portfolio continues to be aligned with the clients' objectives despite a rapidly evolving AI landscape. Managers have indicated they will continue to monitor the evolving impact of AI on energy consumption as part of their ongoing engagement activities. On the client side, there is a focus on maintaining a holistic view of the portfolio's exposure to AI-related risks and opportunities, and a willingness to critically assess technology leaders where necessary to ensure continued alignment with broader sustainability objectives.

Advancing Human Rights Transparency for Client Stakeholders

CA supported a client institution seeking to incorporate human rights considerations into its investment policy, who also sought to provide its stakeholders with greater transparency. In 2024, CA facilitated conversations between the institution's leadership and every manager in their portfolio, clearly communicating the client's position on human rights—particularly regarding exposure to weapons—and requesting greater transparency on portfolio holdings.

This engagement prompted several managers to become more comfortable disclosing the client's investment in their funds, and some managers agreed to be publicly listed on the client's website, including details on underlying securities. CA's efforts led to increased transparency and responsiveness from managers, enabling the client to deliver transparency on human rights issues to its stakeholders.

Driving Enhanced ESG Reporting Through Sustained Engagement

CA's ongoing engagement with a public equity manager throughout 2024 led to significant improvements in ESG transparency and reporting. Previously, the manager did not provide updates on ESG engagement progress, but now issues a quarterly ESG report, reflecting a more detailed and structured approach. While the manager's process for implementing ESG changes is gradual, they have added new ESG commitments over the past year, as documented in the Q1 2025 report. These developments mark meaningful progress in disclosure and accountability, supporting informed decision-making for CA's clients and other investors.

Client-Driven Engagement Spurs Impact Process Improvements

At CA's encouragement, an emerging Venture Capital manager engaged an independent impact advisory firm in to enhance their impact approach. The manager has since strengthened their investment process by incorporating more detailed theories of change for each opportunity. They have also committed to tracking company-specific impact metrics over time and providing greater market context, enabling investors to better assess the relative

Principle 5: Outcome

improvements their investments achieve over the status quo.

Engaging to Drive Alignment With Client Objectives

CA supports a client which aims to reduce the environmental impact of its investments, measure and lower financed emissions, and ensure managers are committed to ESG integration and ethical exclusions. A CA investment team engaged with a manager on behalf of the client to support alignment with the client's sustainable investment policy.

CA sent an engagement letter to a private equity manager to formally communicate and reinforce the client's sustainability objectives, and to request greater transparency and action on climate and ESG issues. The engagement outlined the client's expectations for ESG risk assessment, climate risk management, and ethical exclusions.

CA encouraged the manager to enhance ESG reporting and measure and report Scope 1, 2, and 3 emissions to enable portfolio companies to better understand their climate risk exposure. The letter encouraged the manager to consider joining relevant industry initiatives and highlighted guidance which could support the manager to pursue these efforts.

The investment team will continue discussions with the manager and monitor progress in alignment with client objectives.

MANAGER ENGAGEMENT

Engagement is a core part of CA's efforts to put stewardship to action. This purposeful dialogue seeks to achieve change, promote disclosure and accountability and preserve value. Some examples over the 2024 reporting period include:

Reinforcing Climate Stewardship Amid Manager Withdrawals from CA100+

CA engaged with several public equity asset managers regarding their stewardship policies, stewardship resourcing, and participation in investor initiatives following recent exits by managers from the Climate Action 100+ (CA100+) investor-led initiative. CA engaged with both asset managers who left the coalition and those who did not.

CA conducted dialogue to emphasize that climate risk is a material financial risk and a core fiduciary responsibility. CA encouraged managers to maintain robust climate engagement programs and to leverage investor initiatives for greater impact to mitigating climate risk.

Through these discussions, CA was able to better understand the managers' ongoing stewardship programs and how they planned to continue to address material climate risk. CA also reinforced that participating in initiatives amplifies stewardship efforts and supports consistent messaging to the largest carbon emitters. CA continues to ask managers how they are engaging with companies and leveraging collaborative initiatives to mitigate climate risk, ensuring that client interests and long-term portfolio resilience remain central to manager practices.

Engaging Emerging Managers on Fee Alignment

CA engaged with an emerging manager raising their second fund, focusing on fee structure alignment. The manager faced pressure from some LPs for fee and carry concessions that risked undermining the GP's long-term sustainability and alignment with LPs. CA advocated for fair fee concessions tied to reasonable hurdles, and supported the introduction of impact-linked carry, ensuring alignment with investor interests.

Strengthening Information Barriers and Insider Risk Controls

CA engaged with a manager which is majority-owned by a larger group with multiple business lines. Although the manager operates as a separately regulated firm, CA identified that the manager's team was not physically separated from the parent group's staff, during an onsite meeting in May 2024. This raised concerns about information barriers and potential conflicts. As a result, CA put the manager's assessment on hold until a physical office separation was implemented, which was completed later in the year. Additionally, CA noted the absence of an expert network policy to guide interactions with research consultants and mitigate insider information risks. CA advised the manager to establish such a policy, supporting stronger governance and safeguarding the interests of CA's clients and all LPs.

Enhancing Sanctions Screening and Operational Resilience for a Maturing Manager

CA engaged with a manager raising their second institutional fund to provide feedback following an operational due diligence review. CA negotiated extensively on fund terms and advised the manager to strengthen several key operational areas, including fund administration, valuation, and cybersecurity, to enhance governance and risk management for CA's clients and all LPs.

As part of this engagement, CA recommended engaging a third-party fund administrator to increase independence in back-office processes, as the manager had previously handled these in-house. The manager undertook its own request-for-proposal (RFP) process to select a provider and has since formally engaged a fund administrator to serve as a backup for the financial controller, which introduces additional oversight and operational redundancy.

Principle 5: Outcome

Regarding valuation, CA suggested involving non-investment personnel to ensure independent oversight. Having found the manager did not have an employee cybersecurity training program in place, CA recommended implementing at least annual cybersecurity training. The manager was receptive to these recommendations and has now included the financial controller in the valuation approval process. They are currently developing a cybersecurity training program.

Advancing Compliance and Valuation Governance for a Growing Manager

Through ongoing engagement and monitoring, CA encourages managers to reinforce their processes and increase safeguarding LPs' interests. In March 2024, CA completed an operational due diligence review of a manager's second fund, following up on feedback CA provided during a prior review in March 2020. CA found the manager had made progress by implementing compliance training in response to our earlier recommendations. In the latest review, CA advised the manager to further strengthen governance by establishing a valuation committee—separate from the investment committee and including the CFO—and to formalize a comprehensive cybersecurity vulnerability testing program. CA also encouraged the manager to engage service providers to assist with ESG compliance monitoring.

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

CA communicates with clients through a variety of means, both tailored and bespoke client-specific engagement, as well as through broad general communication available to all clients.

BESPOKE ENGAGEMENT

- Client-specific reporting: CA provides regular reporting to clients on a cadence of the client's choosing (e.g., quarterly to semi-annually) to support their decision-making and governance process. Reporting is highly customised according to clients' needs.
- Regular communication: As mentioned earlier, CA functions with a 'down the corridor' approach. Each investment team establishes a cadence of regular meetings on operational and strategic matters and are in constant email correspondence with our teams (Figure 20).

GENERAL COMMUNICATION AND EDUCATION

CA provides clients with regular updates on market conditions, potential systemic risks, and the firm's response strategies. Transparent communication helps clients stay informed and make well-informed decisions. Our firm offers educational resources, including webinars, whitepapers and workshops, to help clients understand and manage systemic risks.

- Access to manager research platform: Clients that are registered for CA's Optica Research platform, get full access to our manager research platform, screening and analytics tools that allows them to keep updated with CA's latest meetings and engagements with asset managers.
- Events: CA hosts a number of events annually that are tailored for various client audiences. This allows clients to meet with peer asset owners, connect with a broader range of CA team members and learn best practices from industry leaders. Some events in 2024 have included:
  - The Investment Leaders Exchange – April 2024: Asset allocators, fund managers, and industry leaders convened to discuss all aspects of portfolio management, from energy transition and macro environment to asset allocation and governance.

Figure 20

Example: Typical UK Endowment (Advisory)

Bi-weekly calls with the client's internal CIO, Investment Officer and Endowment Finance team to discuss new allocation, portfolio management and execution of new allocations.

Additional meetings scheduled as needed to discuss Engagement topics, sustainability strategy, thematic research areas and ad-hoc needs.

CA presents performance and strategy updates to the Investment Committee on a quarterly basis.

Client is in regular email correspondence with the CA team for transaction execution and exchanging ideas on sustainability topics. May have ad-hoc projects for client.

Example: Typical UK family office (Discretionary)

Approximately monthly check-ins with the client's internal CIO.

Quarterly, informal strategy meetings with the client's internal CIO and Investment Officer to discuss investment pipeline, thematic areas and ad hoc topics.

CA presents performance and strategy updates to the Investment Committee on a quarterly basis.

Client is in regular email correspondence with the CA team for treasury management, exchanging ideas on sustainability topics and sharing ideas.

Principle 5: Outcome

  - Climate Investing Workshop – May 2024: CA hosted clients for a workshop covering climate topics from leveraging public markets, to private markets' real world impacts, to net zero strategies.
  - Global Investment Conference – June 2024: At Cambridge Associates' Global Investment Conference, Spencer Glendon urged investors to take action now in order to incorporate the financially material risks from climate change.
  - Impact Investing Forum – October 2024: Forward-thinking allocators and industry stakeholders engaged in timely discussions, and interactive thematic spotlight sessions focused on best practices in SII. Sessions included active shareholder engagement, the energy transition and biodiversity.
  - Global Family Summit – October 2024: Private family clients gathered to explore strategies for sustaining multi-generational wealth, navigating markets, and finding opportunities in emerging sectors.
  - Decoding the Future of Healthcare – October 2024: CA hosted an event featuring allocator, fund manager and industry leader speakers, exploring how the latest trends in healthcare, such as rapidly advancing technologies such as AI advances, gene therapy and new modalities for disease treatment, are converting groundbreaking concepts into tangible outcomes and shaping the investment landscape.
- Thought leadership and market research: Clients receive complimentary access to our client-facing publications and newsletters including CA Insights, Market Matters, VantagePoint and white papers. A sample of papers published over 2024 with a sustainability focus include:
  - In Private Investment, Diverse Fund Management Teams Have Opened Doors (*This content was developed in collaboration with BCG*)
  - Simplifying Net Zero Implementation: Possible Pathways to a Portfolio That Can Be Good for the Climate
  - US Election Anxiety: Keeping Calm Amid Political Uncertainty
  - Would US Private Capital Flows into Climate Solutions Remain Strong in a Second Trump Administration?
  - Private Infrastructure: Secular Themes Offer Compelling Opportunities
  - 2025 Outlook

Principle 6: Activity

Signatories review their policies and assure their processes.

REVIEW OF POLICIES

To ensure that its policies remain relevant and effective, CA conducts regular reviews that involve comprehensive assessments of current practices, industry trends, and regulatory developments. These reviews are carried out by dedicated teams that specialise in sustainable and impact investing, DEI and stewardship, ensuring that the firm's policies are aligned with best practices and client expectations.

In the realm of sustainable and impact investing, as we have shown throughout this year's report, Cambridge Associates leverages both quantitative and qualitative analyses to assess the impact of investments on sustainability goals. This process is supported by ongoing research and collaboration with industry experts, allowing CA to refine its investment strategies and policies continually. Additionally, the firm engages with clients to understand their specific sustainability objectives and incorporates their feedback into policy reviews, ensuring that client needs are met effectively.

For DEI, Cambridge Associates has established robust frameworks to guide its policy reviews. The DEI policy review process involves analysing workforce demographics, recruitment practices, and employee engagement initiatives to promote a diverse and inclusive workplace. The firm also benchmarks its DEI efforts against industry standards and seeks input from external advisors to enhance its practices. In terms of stewardship, CA reviews its engagement and voting policies to ensure that they support responsible investment practices. This includes monitoring the performance of portfolio companies on ESG issues and advocating for positive change through active ownership. By maintaining a proactive approach to policy reviews, Cambridge Associates demonstrates its commitment to fostering a sustainable, inclusive, and responsible investment environment.

Our SII Council met at least quarterly, with sub teams meeting at least every month in this reporting period to discuss, improve and review policies and processes in relation to ESG and DEI.

Furthermore, we continue to encourage our clients to review their investment policies annually and our team has implemented various tools to ensure investments align with client stewardship goals. We believe it is important for our own internal ESG and sustainability goals to be closely aligned with the portfolio management advice we provide.

Progress towards our ESG and stewardship goals is tracked by our firm's Management Group as part of their agenda.

In addition, the Management Group periodically invites members of the Sustainability and Impact Investing team to discuss the Firm's approach to ESG and whether improvements or enhancements can be made to the current plan.

ASSURANCE OF PROCESSES

Internal governance controls at Cambridge Associates play a crucial role in ensuring the integrity and effectiveness of its policies on sustainable and impact investing, DEI and stewardship. The firm has established a comprehensive governance framework that includes oversight by senior leadership and specialised councils, as evidenced earlier in this report.

These councils are responsible for setting strategic priorities, monitoring compliance, and evaluating the performance of policies and initiatives. Regular internal audits and risk assessments are conducted to identify potential areas of improvement and ensure adherence to regulatory requirements. Additionally, CA promotes a culture of accountability and transparency by encouraging open communication and feedback from employees at all levels. This robust governance structure ensures that the firm's policies are not only well-designed but also effectively implemented and continuously improved.

Underpinning this, we will always consider our staff training and our client feedback to be the two most important pillars in assuring our processes are robust and – where either side feels improvements can be made – we take steps to address their concerns.

APPROVING THE REPORT

The production and responses in this report were overseen by members of the SII Council, DEI Council and Net Zero Think Tank. In line with our governance oversight of sustainability related activities, the Report was presented to the Cambridge Associates Limited (UK) Board and 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.

Endnotes

[1] Sustainability and Impact Investing (SII) takes into consideration all material factors for risk management and economic value creation and intentionally seeks investment in market driven solutions to real world challenges. This includes the practice of using investments to directly achieve, or be aligned with, an institution's values or mission and a recognition that climate change and social inequality are systemic, structural factors that create risks and opportunities material to long term portfolio management. Cambridge Associates uses the term "SII" to encompass a spectrum of strategies and approaches, including, but not limited to, proactive integration of environmental, social, and/or governance (ESG) factors; diversity, equity, and inclusion (DEI); impact investing; mission related investing; systemic investing; and negative screening.

[2] Impact issues are increasingly intersectional and overlapping. Social and Environmental Equity often spans impact sectors and themes.

[3] Indicates that there is limited accessibility through market rate investments. Grants and program-related investments may be more relevant to access these areas.

[4] The BE@CA completion figures reflect only participants who are still with Cambridge Associates.

[5] CA defines a diverse manager as an investment team where at least 33% of the economics are distributed to individuals who are categorized as under-represented groups in the investment industry. This representation is measured across race, gender, and ethnicity.

[6] As of December 2024. Dollar amounts based on commitments and estimated exposure to impact themes.

[7] Fully diluted. As of 31 December 2024.

[8] Includes 11 other outside shareholders and the non-executive independent chair of the Board of Managers, with no individual shareholder holding more than 10%.

[9] Includes a combination of indirect equity, profits interests, and options held by current senior employees responsible for the firm's business results.

[10] All employee data as at 31 December 2024.

[11] As of 11 November 2024.

[12] Subject to the data's availability, coming from either public sources or reported by underlying investment managers. Data for private markets can be more constrained than for public asset classes. CA can consider information where managers are willing to provide it, and CA can provide insight on reported outcomes.

[13] Data as of 31 December 2024.

[14] Data as of 31 December 2024. We define Sustainable & Impact Investing (SII) products as those focused on 1) Environmental Impact (investments in processes, products or services that reduce negative environmental impacts or create positive environmental impacts); 2) Social Impact (investments in processes, products or services that improve communities' social and/or economic wellbeing); or 3) Diversified/Other Impact (investments in processes, products or services that are diversified across sustainable, impact and ESG themes and opportunities that do not meet specific environmental or social impact definitions). "SII product" is a designation used in our proprietary database and is based on manager-submitted survey data that is not independently verified.

[15] Total 'Managers Tracked' will not equal the sum of the strategies below due to managers offering products across multiple strategies.

[16] Includes US Equity ex-Small Cap and US Small Company Equity.

[17] Includes Asia/Pacific Regional Equity, Emerging Markets Equity, European Regional Equity, Global Equity, Global Small Company, Global ex-Australia Equity, Global ex-US Equity, Global ex-US Small Company Equity, Global ex-UK Equity, Global Natural Resources, Latin America Regional Equity, Middle East & Africa Regional Equity, and Single Country Equity.

[18] Includes Global Multi-Asset Class, UK Balanced, and US Balanced.

[19] Includes Bank Loans, Cash Management, Convertible Bonds, High-Yield Bonds, Inflation-Linked Bonds, Municipal Bonds and US Bonds.

[20] Includes Asian Bonds, Emerging Markets Debt, Euro Bonds, European High-Yield, Global Bonds, Global ex-US Bonds, Global Inflation-Linked Bonds, and UK Bonds.

[21] Includes Multi-Asset Charity, Multi Country Real Estate Investment Trust, UK Property, and US Real Estate Investment Trust.

[22] Includes Buyouts and Growth Equity.

[23] Includes Agriculture, Energy Upstream & Royalties, Private Equity Energy, and Timber.

[24] Includes Credit Opportunities, Senior Debt, Specialty Finance, and Subordinated Capital.

[25] In some instances, clients may negotiate shorter or longer termination clauses at their discretion. 90 days is standard for CA Ltd.

[26] Client tenure does not necessarily represent client satisfaction.

Endnotes

[27] Data based on client count as of December 31, 2024. n = 1,028. Percentages may not sum to 100 due to rounding.

[28] 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.

[29] Includes individuals, families, and family offices.

[230] Includes public and government-related funds, superannuation funds, and sovereign wealth funds.

[31] Further information about our approach is available in our NZICI Progress Report, 2024.