2023 SUSTAINABILITY REPORT

Sustainability Report

SUSTAINABILITY IS AT THE CORE OF THE TRANSFORMATIONAL IMPACT WE SEEK TO DELIVER TO OUR CLIENTS. As fiduciaries, we believe that we can expand our clients' ability to implement their long-term missions through customized and client-specific incorporation of ESG and DEI factors.

From Strategic's Executive Committee

Dear clients, colleagues, and friends,

Strategic Investment Group was founded 36 years ago with the mission to act as an investment office for hire focused on delivering transformational impact to a small number of select clients. Our firm's longevity is a testament to our success in delivering on this mission. Our long history is also a validation of two core principles that have been in place since our firm's establishment.

The first core principle is the value of diversity and the importance of incorporating different viewpoints. Our diverse team of founders established the culture of collaboration, teamwork, intellectual debate, and analytical rigor that characterizes Strategic and continues to be necessary to deliver long-term sustainable investment results for our client partners.

The second core principle is that no two clients are alike. We understand that our clients need to customize their portfolios to match their unique missions and organizational identities. For many of our clients, that means incorporating Environmental, Social, and Governance ("ESG") and Diversity, Equity, and Inclusion ("DEI") objectives into their portfolios. The need for customization is why we dedicate ourselves to working with a small number of clients whose unique and evolving portfolio needs we understand in depth.

We believe that delivering on client objectives while being prudent stewards of capital and good citizens of the world requires a commitment to advancing diversity efforts and leveraging technology and innovation to help each client align their portfolios with their unique mission.

We are sharing this report to provide greater insights into the recent work we have been doing to deliver on those commitments and to more fully inform you of the approach we have taken across the firm, in our portfolios, and in our community. These developments have been made through the great dedication of our ESG and DEI Committees, which were each deliberately created with membership from across the firm to ensure that these priorities and initiatives are woven into all of our activities. We have accomplished a great deal through collaboration with our clients, investment managers, and friends in the investment community.

We are pleased to share these developments with you, but as in life, this is a journey and not a destination. We still have a great deal of work to do and are committed to the continued reflection and growth that has been a hallmark of our approach since our founding. We welcome your thoughts as we work together to multiply the impact we have made in our portfolios and in our communities.

With kindest regards,

The Strategic Executive Committee

Ken Grossfield
Kenneth Grossfield, CFA
COO and General Counsel

Nikki Kraus
Nicole Kraus, CFA
President and Chief Client Officer

Markus Krygier
Markus Krygier, Ph.D.
Co-Chief Investment Officer

Chris Lvoff
Christopher Lvoff, CFA, ASA
Co-Chief Investment Officer

Strategic's Commitment to Sustainability

We believe that our clients are making profound positive changes in the world, and by expanding their ability to implement their missions, we expand their ability to change the world.

Strategic seeks to deliver transformational impact to our clients.

To accomplish this, we strive for superior investment performance, rigorous and disciplined portfolio execution, dynamic collaboration across all levels of the organization, and an intentional firm design with a conflict-of-interest-free business model. We believe that our clients are making profound positive changes in the world, and by expanding their ability to implement their missions, we expand their ability to change the world.

Sustainability is at the core of that transformational impact. All our clients are investing to fulfill long-term missions with long-term horizon portfolios. This requires us as fiduciaries to thoughtfully consider any factor that may impact our investments, our clients, and our firm in the decades ahead. We define "Sustainability" as the combination of factors and initiatives surrounding Environmental, Social, and Governance ("ESG") activities and Diversity, Equity, and Inclusion ("DEI") activities. In the pages that follow, we describe how we tackle complex DEI and ESG objectives. Importantly, we never lose sight of *why* we tackle them. We do not consider responsibility for DEI and ESG objectives to be isolated functions. Rather, we take a holistic approach to incorporating accountability for these objectives at every level of our firm.

Recent Highlights and Initiatives

- **Supporting clients interested in seeking and investing with underrepresented groups.** In 2023, we launched a dedicated commingled vehicle as an option for our clients. The strategy specifically seeks to invest in funds managed by high-potential emerging managers owned or led by individuals from groups that historically have been less widely represented in institutional portfolios due to barriers unrelated to investment skill.
- **Aligning portfolios with missions using custom-built strategies.** We created an internally-managed equity portfolio designed to track the S&P 500 alongside improved defined impact metrics. The portfolio has achieved performance in line with the benchmark, within the required tracking error range, and with impact metrics that greatly exceeded the benchmark.
- **Transitioning a client portfolio to complete fossil-fuel divestment by 2025.** Strategic has more than three decades of experience creating mission-aligned portfolios for clients. Recently, we partnered with investment managers to develop new fossil-fuel-free investment vehicles, seed them with capital, and launch them for wider adoption. We have also expanded our relationships, with and gained access to, highly access-constrained managers focusing on decarbonization strategies and energy transition.

- **Lisa Green Hall joined Strategic's Board of Managers.** As a further testament to our desire to evolve with the needs of our clients, Strategic has added external members to its Board of Managers who bring significant impact investing experience, unique perspectives, and diverse experiences. The most recent addition to the Board is Lisa Green Hall. She has over 30 years of impact investing expertise and is currently Impact Chairperson at Apollo Global Management. Lisa is a graduate of The Wharton School at University of Pennsylvania and earned her M.B.A. from Harvard Business School. She is co-editor of *Investing for Social Impact, Economic Justice, and Racial Equity* published by the American Bar Association in 2023.

Lisa Green Hall
Independent Board Member
Strategic Investment Group

- **Measuring, reporting, and offsetting our firm's carbon emissions.** Consistent with our belief that to manage something you must be able to define and measure it, we embarked on a journey in 2021 to measure our operating Scope 1, 2, and Scope 3 travel carbon emissions and publicly report this data. We have further taken concrete steps to reduce these emissions. Please refer to Appendix B.

- **Continuing excellence in attracting and retaining top talent.** Strategic was an early signatory to the CFA Institute's Diversity, Equity, and Inclusion Code. Since then, of our 104 employees:

■ 47% are female	■ 33% are from an underrepresented racial group
■ 44% of our employees at Director-level and above and 39% of our equity holders are female	■ 75% of hires within the last 12 months add diversity to our team

Throughout this report the staff data is as of November 1, 2023. "Underrepresented Group" includes females, non-white racial/ethnic groups, the disabled, and veterans.

- **Strategic's manager diversity levels greatly exceed the national average.** We survey our investment managers annually to determine the level of diversity in their firms and gain perspective on their efforts to promote DEI. The results of this year's survey confirm that Strategic's manager diversity levels are more than double the industry average, as measured by the Knight Foundation's 2021 Diversity of Asset Managers study[1].

We "Walk the Walk" When It Comes to DEI in Our Business Practices.

- **A commitment to increase diversity at Strategic.** We have established internal initiatives with specific policies to ensure that Strategic can attract and retain top investment talent. Today, 56% of our leadership positions are held by underrepresented groups. Our Board is 44% female, and 22% of our Board members are from an underrepresented racial group.

The results of this year's survey confirm that Strategic's manager diversity levels are more than double the industry average, as measured by the Knight Foundation's 2021 Diversity of Asset Managers study[1].

[1] https://knightfoundation.org/reports/knight-diversity-of-asset-managers-research-series-industry/

Diversity at Strategic

Strategic thrives in an environment rich in different backgrounds, perspectives and experiences. We recognize that we will ultimately have more success with a team that not only is diverse, but one that values that diversity and leverages it as a competitive advantage. We are committed to growing and cultivating an environment rich in different backgrounds by recruiting, developing and retaining women and men of all ethnicities, sexual orientations, gender identities, gender expressions, generations, and life experiences.

Beyond mandatory harassment and unconscious bias training for all employees, efforts that are relatively unique include:

- Student loan paydown program (100% of the participants are from an underrepresented group)
- 100% paid caregiver and new parent leave benefits (regardless of gender or type of birth) - over the past five years 95% of parents returned to work at Strategic following childbirth and remain employed
- Breastmilk shipping and storage benefits for traveling nursing mothers
- Housing and transit stipends for summer interns
- Remote work, flexible schedules, and part-time arrangements
- Dependent care flexible spending accounts
- Eligibility for all non-investment professionals to earn an Investment Foundations Certification from the CFA Institute, designed for those aspiring to, or currently working within, support roles across the investment and finance industries. Strategic pays for all study and exam fees and awards employees who earn certification a cash bonus. 72% of those who have/are participating in the program are from an underrepresented group.

We are proud that over the past year at Strategic, we have achieved gains or maintained our level of diversity for both underrepresented racial groups and women on all measures: at the total firm level, within our investment professionals, at leadership levels, and within our equity ownership.

The Six Principles of the CFA Institute's DEI Code[2]:

1. **Pipeline:** *Expanding the diverse talent pipeline;*
2. **Talent Acquisition***: Designing, implementing, and maintaining inclusive and equitable hiring and onboarding practices;*
3. **Promotion and Retention:** *Designing, implementing and maintaining inclusive and equitable promotion and retention practices to reduce barriers to progress;*
4. **Leadership***: Using our position and voice to promote DEI and improve DEI outcomes in the investment industry. We will hold ourselves responsible for our firm's progress;*
5. **Influence:** *Using our role, position, and voice to promote and increase measurable DEI results in the investment industry;*
6. **Measurement***: Measuring and reporting on our progress in driving better DEI results within our firm. We will provide regular reporting on our firm's DEI metrics to our senior management, our Board and CFA Institute.*

- **Proud to be an early signatory of the CFA Institute's DEI Code.** As signatories, we are required to provide annual reporting on our efforts to further diversity and inclusivity within our own firm. However, as we highlighted above, our efforts go far beyond the requirements of the DEI Code. We are committed to reporting each year to our clients on our progress in deepening DEI in our firm, our investments, and our community.
- **Forging partnerships with outside groups pushing for change.** Strategic engages with organizations whose mission is to advance careers and equality in the investment and finance industry for underrepresented groups. To that end, our professionals have:
  - Spoken at numerous events aimed at supporting underrepresented groups in finance careers, including the CFA Society of Philadelphia Diversity and Inclusion event, and the University of Notre Dame Women's Investing Summit in 2019, 2020, and 2023, and have served as mentors to students who participate in Girls Who Invest.
  - Been recognized by NASDAQ as first movers supporting DEI in venture capital by Nasdaq's Entrepreneurial Center's Venture Equity Project ("VEP"). The VEP is a coalition of 10 leading academic institutions and global nonprofit organizations which aims to permanently reduce the barriers that exist in the flow of capital to entrepreneurs of color.

As a firm, Strategic is also a proud corporate sponsor and partner of 100 Women in Finance, an organization whose mission is to empower women in the global finance industry to achieve their professional potential. In partnership with 100 Women in Finance, we hosted a networking event in our offices featuring remarks from our President and Chief Client Officer Nikki Kraus and Founder Hilda Ochoa-Brillembourg to over 30 attendees representing 16 local organizations.

[2] https://www.cfainstitute.org/-/media/documents/code/dei/DEI-Code_2022

The discussion was based on their combined 70-year career in the investment management industry, actionable tips to build a solid foundation for successful board governance, insights into strategies for adding value to the organization's investment portfolio, unpredictable macroeconomic, political, and capital market changes, and how to achieve work/life balance while working in the investment management and finance industries.

We also covered the cost of membership to interested employees and students at our college and university clients. In fact, Strategic's leadership on student memberships prompted 100 Women in Finance to now offer this benefit worldwide to student members.

Our Community

Our commitment to diversifying the financial industry extends beyond our firm and the managers with whom we invest. We have initiated educational programs, scholarships, and industry partnerships in an effort to foster interest and increase diverse representation in the industry.

Strategic is a partner with the Thurgood Marshall College Fund ("TMCF"), the nation's largest organization exclusively representing the Black College Community. With TMCF we launched the Strategic Investment Group Alpha Scholarship program, which is offered to eligible, need-based students who attend TMCF member-schools.

Strategic recently completed the second year of our high school mentorship program. Our partner school's enrollment is 98% minority students. The program works with students on equity valuation techniques to aid their participation in the Stock Market Game, in which they compete with other schools to build the highest-earning portfolio. We also discuss with students careers and opportunities within the financial industry to spur interest and future participation.

Strategic encourages full-time employees to use three paid days each year to pursue volunteer opportunities. This year, Strategic partnered on a regular basis with a local food bank to pack groceries for our neighbors in need. Strategic employees are also participating in budgeting and personal finance mentorship by volunteering with the Junior Achievement of Greater Washington, which supports hands-on activities for middle-schoolers with its Finance Park program.

We Seek to Partner With Managers That Share Our Philosophy on DEI.

Diversification of managers by background, philosophy, process, and methodology is a core tenet of our portfolio construction philosophy. We have long valued diversity in our firm and in our industry and recognize that increasing manager diversity is a multi-tiered challenge that requires proactive outreach and advocacy. To find managers of diverse backgrounds, we need to actively seek them and work towards removing obstacles to our finding and retaining them. We also need to bring more people from underrepresented groups into our business, to create opportunities for their development and mentorship, and to forge a path to promotion into key positions of leadership and firm ownership.

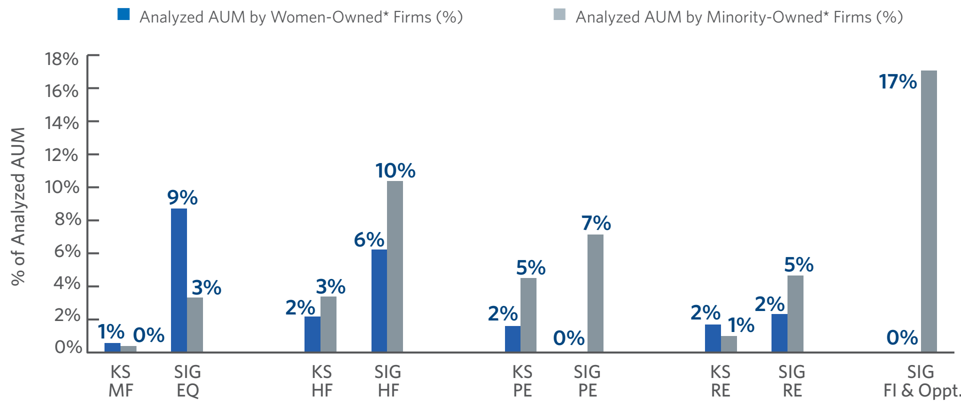
Strategic recently completed the third year of our effort to measure the diversity levels of the managers included in our clients' portfolios. The survey we use is based on the template provided by the CFA Institute and refined through consultation with external experts. To measure our progress, we benchmark the quantitative results of our survey against the Knight Foundation's Diversity of Asset Managers study.

While we continue to compare favorably relative to the averages set out by the Knight Foundation's most recent study, we recognize there is much work to be

EXHIBIT 1:

Ownership Information - Knight Study Foundation Data and Strategic Asset Class Managers (>=50%)

Source: Lerner, Josh (2021). Diversifying Investments: A Study of Ownership Diversity and Performance in the Asset Management Industry. Knight Foundation & Bella Research Group.



Per the Knight Foundation & Bella Research Group study, firms are considered women-owned or minority-owned if at least 50 percent of firm ownership is held by women or minorities. Strategic's percentages are based on received responses to Strategic's Diversity Survey of asset class managers as of January 1, 2023.

Strategic's history and networks provide an opportunity to access managers that we believe have high potential and have undergone our rigorous and highly customized due diligence process.

done. In July of 2023, we launched a commingled vehicle that invests in strategies managed by high-potential managers owned or led by individuals from groups that historically have been less widely represented in institutional portfolios due to barriers unrelated to investment skill.

The fund offers benefits to both our clients and the financial industry through:

- **An expanded opportunity set for returns.** Diverse managers can provide exciting return potential that may be missed in searches that rely on traditional due diligence processes. Strategic's history and networks provide an opportunity to access managers that we believe have high potential and have undergone our rigorous and highly customized due diligence process.
- **Operational support for emerging diverse managers.** Investment in what we believe are high-quality diverse managers, coupled with Strategic's operational due diligence expertise, can serve as the basis for future AUM growth for emerging managers, raising diversity within the investment industry overall.

We also engage with all of our managers on topics of diversity, equity, and inclusion. We recognize that increasing manager diversity is a multi-tiered challenge that requires forceful advocacy and outreach. Our efforts focus both on short-term goals (*e.g.*, addressing hiring practices, pay equity, inclusiveness in the workplace), and long-term goals (*e.g.*, increasing the pipeline of candidates from underrepresented groups).

As part of this engagement, we routinely ask about recruiting and retention progress. We also inquire about training and development and career mobility of women and people from underrepresented groups. We focus on a manager's organizational structure, Human Resources' responsibilities and role at the firm and overall employee relations.

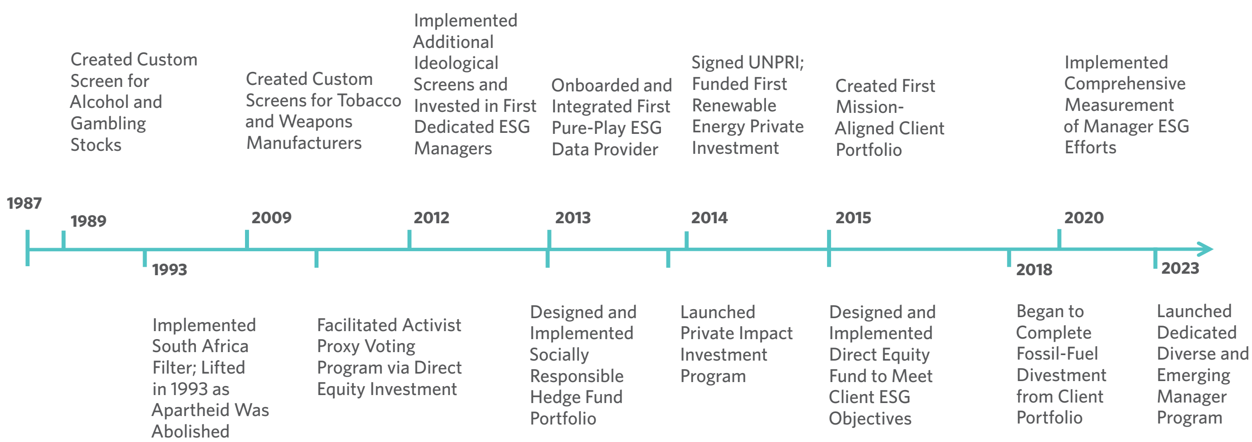
We Have More Than Three Decades of Experience Implementing ESG Mandates.

Mission-driven organizations that wish to implement challenging ESG mandates have chosen Strategic as their preferred partner since 1989. The timeline below provides perspective on Strategic's ESG initiatives over more than three decades.

We take our role as a leading member of the OCIO industry seriously and are continually pushing for industry best practices. We believe that by raising the level of transparency and promoting alignment of interests in the OCIO space, asset owners (whether they are clients of ours or not) ultimately benefit. To that end, we have engaged the industry to advocate and champion best practices in ESG investing and mission alignment. For a few examples, in the last year we have:

- Co-published, along with AGB, an updated edition of *Endowment Management for Higher Education*, including a new chapter: "A Roadmap for Aligning Your Portfolio with Your Mission."
- Released *Endowment Management for Foundations and Non-Profits*, in partnership with AGB and the Council on Foundations, including chapters on increasing Investment Committee diversity and aligning a portfolio with an organization's mission.
- Participated in a webinar hosted by the National Association of College and University Business Officers ("NACUBO") discussing techniques and best practices for mission alignment.
- Spoke at Green Fin 2023 Conference attended by over 900 investment professionals in Boston in a session titled, *The Power of Capital*, to discuss the unique opportunities and challenges in the application of ESG investing in emerging markets.

EXHIBIT 2:
Strategic's Sustainability Timeline



Our Philosophy and Approach

As signatories to the United Nations-supported Principles for Responsible Investment ("PRI") since 2014, we support the integration of ESG factors into our investment processes as well as improvement in the ESG disclosure and transparency of securities issuers. We believe that ESG factors have always been value-relevant and have increasing importance in an investment process. We believe:

- ESG integration has been foundational to the investment process at Strategic since its inception.
- Successful ESG incorporation is integrated, value-relevant, and requires continuous innovation.
- Strategic has the long-term experience and technology infrastructure to effectively partner with our clients to deliver transformational impact.

At Strategic, we have always believed that to manage something you must be

To aid our clients with the estimation of emissions attributable to their portfolio's investment activities, we developed a total portfolio emission calculation tool. It incorporates all asset classes in client portfolios to calculate a best-estimate of complete portfolio carbon emissions.

Total-Portfolio Carbon Emissions Calculator

Many mission-driven organizations are exploring (or have implemented) carbon-emissions reduction initiatives in their operating entities, especially with their physical assets (property, buildings, etc.). However, some organizations also seek to reduce or ultimately offset carbon emissions attributable to their financial assets, including their endowment.

To aid our clients with the estimation of emissions attributable to their portfolio's investment activities, we developed a total portfolio emission calculation tool. It incorporates all asset classes in client portfolios to calculate a best-estimate of complete portfolio carbon emissions. Key pillars of our approach include:

1. The data should be **as granular as possible** for each individual look-through asset (not simply the manager or asset class). We rely on:
    a. Reported asset emissions
    b. Asset-specific emissions estimates (based on peer reports)
    c. Industry- and geography-specific emissions estimates
    d. Sector- and geography-specific emissions estimates
    e. Geographic-specific emissions estimates
2. Use of reported public equity proxies: Proxies are **customized to the asset** they are made to proxy. We developed 16 different proxy sets, which include a variety of sub-industries, industries, industry groups, and sectors to best capture underlying economic and emissions exposure.

Our calculations are further underpinned by three key assumptions:

1. An asset's carbon emissions should be allocated to the owner of that asset. Therefore, we assign emissions to the equity of the asset and assess them at the point of emission into the atmosphere.
    - *Implication: Only Scope 1 and 2 emissions are included.*
    - *Implication: All fixed income and non-equity derivatives (e.g. commodities, rates) do not have attributable emissions.*
2. The emissions intensity of a private asset broadly aligns with the emissions intensity of a public asset of the same size and sub-industry or industry.
3. The appropriate benchmark for a portfolio's carbon emissions is the benchmark used for portfolio's performance measurement and policy-setting.

Clients may wish to aggregate their portfolio carbon equivalent emissions with their operational emissions for the purpose of accounting, disclosure, or reduction. Our carbon accounting capabilities are designed to support their objectives.

able to define and then measure it. We partner with investment managers and clients who share those beliefs. When aligning portfolios with an organization's mission and objectives, we have always offered concrete and transparent reporting, had honest discussions about progress toward defined objectives, and welcomed accountability. We believe that asset owners are increasingly looking for a partner like Strategic with the organizational transparency, technology and data capabilities, and long-term experience to create and implement customized mission-aligned investing objectives and communicate the results to diverse stakeholders.

Our Managers Also Integrate ESG in a Value-Relevant and Customized Way.

At Strategic, we engage in a multifaceted approach to ESG, focusing on understanding the many nuanced ways in which managers seek to add value and reduce risk for our clients through comprehensive ESG integration and measurement. There is no "right" approach to ESG. Just as each client has a customized approach to ESG integration, each manager needs to find an approach that integrates with their own investment philosophy and process in a value-relevant way.

To assess this, we evaluate a manager's holdings-level information, investment philosophy, and firm-wide actions to form a well-rounded view. We do this through:

- Regular conversations, ongoing dialogue, and formal investment and operational due diligence processes.
- Annual ESG questionnaires.
- Analysis of manager documents and reports on sustainability initiatives.

This information is used to report aggregated data to clients, monitor our managers over time, and enhance our own ESG approach. We present summaries of this data in Appendix A.

How We Evaluate ESG Integration

We evaluate our managers based on three stages of the investment process: an initial identification of potentially attractive opportunities, further investment due diligence, and final portfolio construction. We categorize ESG integration in each of these three stages into four categories.

- **None:** limited or no incorporation of ESG factors in the investment process.
- **Partial Incorporation:** some consideration of material ESG factors.
- **Full Incorporation:** extensive consideration of material ESG factors.
- **Central Pillar:** ESG factors are a central pillar of the investment thesis.

In Appendix A we show the categorization results for our existing portfolios.

Data collection is only the first step for us. We also proactively engage with our managers, sharing aggregated and anonymized data to help them better develop their own ESG processes relative to their peers. During these discussions, we also encourage the incorporation of more sustainable practices like carbon emissions measurement, PRI membership, and ESG reporting.

With our managers, we discuss the ESG integration approach with the same rigor and depth as any other element of the investment process. We suggest advancements in procedure and policy and receive those suggestions in turn. No ESG integration strategy is perfect, which is precisely why we seek to continually improve our own.

When aligning portfolios with an organization's mission and objectives, we have always offered concrete and transparent reporting, had honest discussions about progress toward defined objectives, and welcomed accountability.

We Help Clients with Challenging Mission-Related Investing Needs.

We do not take a one-size-fits-all approach to mission alignment, recognizing that each organization and its investment needs are unique. Here, we illustrate what we are doing to help a client on their mission-related investing journey.

Private Foundation with Portfolio Impact Objectives

We work with a private grant-making Foundation focused on community improvement in their local region. Beginning in 2020, they sought to expand their organizational impact by increasing their mission-aligned investments to 75% of their total portfolio by 2030. They asked for our guidance in how to implement that objective.

Dynamic Collaboration: To do this, we:

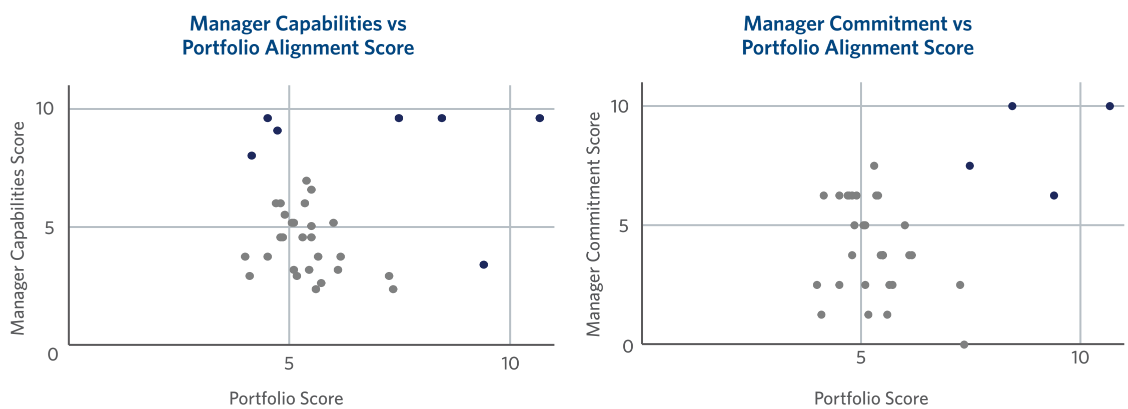
- Worked closely with the Investment Committee, Board, and Staff to discuss key investment policy and strategic risk considerations, create customized metrics, set timeline expectations, and lay out an implementation plan for incorporating mission-aligned investments;
- Created a custom reporting framework to both evaluate the mission-alignment of current managers and prioritize the identification of additional investments for potential portfolio inclusion.

Rigorous Execution: Our custom reporting framework ties together two complementary elements of mission-aligned investing:

- The nature of the underlying companies and assets in manager portfolios and their impact on the world through their business operations.
- The actions and investment approach taken by the investment manager to impact the underlying companies and their stakeholders.

We then designed a set of objective metrics that apply across asset classes and encapsulate the foundation's mission-aligned vision of impact for their portfolio. Using those metrics, we graded each manager in the portfolio against those metrics to establish the baseline level of alignment in the current portfolio and identify current managers for potential termination. Furthermore, we evaluated our own manager due diligence pipeline against those metrics to prioritize and accelerate manager research.

EXHIBIT 3: CUSTOM IMPACT EVALUATION FRAMEWORK



Real Results: While the portfolio transition to 75% mission-aligned investments is still in an early phase, over 25% of the portfolio is currently oriented towards their custom definition of impact, a new manager has been incorporated into the portfolio year-to-date, and a pipeline of attractive candidates has been identified.

Why Do We Need to Objectively Measure Impact?

Creating a rigorous impact measurement framework is a crucial element of implementing a durable and successful impact investing program. Objective impact measurement helps an institution:

1. **Make Progress**. A definition of impact (even an evolving one) helps identify impact managers for potential portfolio inclusion and to also identify managers misaligned with the impact goal that may be targeted for redemption.

2. **Track Progress**. Tracking and measuring the progress of the portfolio toward impact goals helps ensure that the portfolio is on-track to meet the institution's goals.

3. **Communicate Progress**. Clear metrics for impact bring transparency, accountability, and credibility to stakeholder communications on progress toward transforming the portfolio.

    - Annual reports, press releases, industry and peer-group presentations, and internal staff communications are all potential uses for clearly and credibly conveying the Foundation's commitment to impact and the actions taken to implement that commitment.

Impact measurement is a rapidly developing field. The metrics (and the data behind them) that will ultimately be used to measure impact in an institution's portfolio may not even exist yet.

We engage in a multifaceted approach, focusing on the many nuanced ways in which managers seek to add value and reduce risk for our clients through comprehensive impact integration and measurement. There is no "right" approach to impact. Each manager needs to find an approach that integrates with its own investment philosophy and process in a value-relevant way.

Our approach to impact measurement is the same as our approach to investing. We seek to align with our clients' objectives, integrate those objectives into our process, and ground the approach in data.

About Strategic Investment Group

Strategic is an outsourced Chief Investment Officer ("OCIO") pioneer, founded in 1987, as an "investment department for hire" to provide sophisticated, customized investment solutions to a select group of clients. Strategic was founded by the senior investment team from the World Bank, 50% of whom were women and 33% of whom were Hispanic/Latino. We have observed the importance of sound fiduciary governance and the merits of an open architecture platform built on the careful identification of skilled investment managers. We also understand that each investor is unique and requires portfolios tailored to their individual goals and risk preferences. Principles of investment excellence and exemplary service have guided us since our founding.

Strategic's sole business focus has always been to provide comprehensive OCIO solutions. This singular focus is one of our many competitive advantages: we are not distracted by, or competing against, other lines of business, and we bring the full resources of our firm to each client.

Strategic has helped our clients achieve and surpass their goals, delivering transformational growth in their portfolios through our experience, insight, discipline, efficiency, cost-consciousness, and sound governance. We have built a team-oriented investment process that makes us uniquely qualified to act as a durable and stable investment office for our clients. **Our clients' success is our success.**

Strategic was founded by the senior investment team from the World Bank, 50% of whom were women and 33% of whom were Hispanic/Latino. We have observed the importance of sound fiduciary governance and the merits of an open architecture platform built on the careful identification of skilled investment managers.

Strategic has initiated financial education programs focused on both careers in the industry and personal finance best practices.

Community Engagement

Our commitment to our community is illustrated by our employee engagement where we live and work. Some of the programs and initiatives in which we are engaged are:

- Arlington Food Assistance Center ("AFAC"): Strategic organizes teams of employees to volunteer during the workday at AFAC to help support their mission of providing Arlington County residents dignified access to nutritious supplemental groceries. On average AFAC serves over 3,000 individuals a week and volunteers help with bagging, food distribution, sorting, and restocking.
- High School Outreach Programs: Strategic has initiated financial education programs focused on both careers in the industry and personal finance best practices. Our goal is to encourage diverse talent to consider careers in finance. Additionally, for our high school program, we cover the basics of personal finance to help students start off on a firm financial footing after high school. We also discuss with students careers and opportunities within the financial industry to spur interest and future participation. Our partner school's enrollment is 98% minority students.
- Salvation Army Angel Tree: Angel Tree is a unique holiday assistance program that connects our employees with deserving local children ("Angels"). The employees shop for gifts on the Angels' wish lists and coordinate delivery. The gifts donated are often the only ones the children will receive for the holidays.
- March College Basketball Tournament for Charity: Each March we host a men's college basketball tournament bracket for charity. This year, we hosted a women's basketball tournament bracket as well. The prizes (which were equal payouts for both the men's and women's bracket winners) were charitable donations made in the winners' honor to the local charity of their choice.
- Strategic Matching Gift Program: We match employee donations up to $250 per year to charities. We double match for our employees who also volunteer at least 50 hours per year with the donor organization.
- Paid Time Off Volunteerism (VTO): All employees are eligible for up to three paid days off to volunteer.

Appendix A - Manager ESG Integration

Strategic has always partnered with managers who thoughtfully integrate ESG factors with the objective of creating value for investors. We engage in a multifaceted approach, focusing on understanding the many nuanced ways in which managers seek to add value and reduce risk for our clients through comprehensive ESG integration and measurement. There is no "right" approach to ESG.

Our managers incorporate ESG into their investment processes in different ways and with different levels of emphasis in the pursuit of investment returns and risk reduction. As part of the Annual ESG Questionnaire, we evaluate a manager's ESG policies, personnel, process, and capabilities. This information is used to report aggregated data to clients, monitor our managers over time, and enhance our own ESG approach.

Year-on-Year Changes

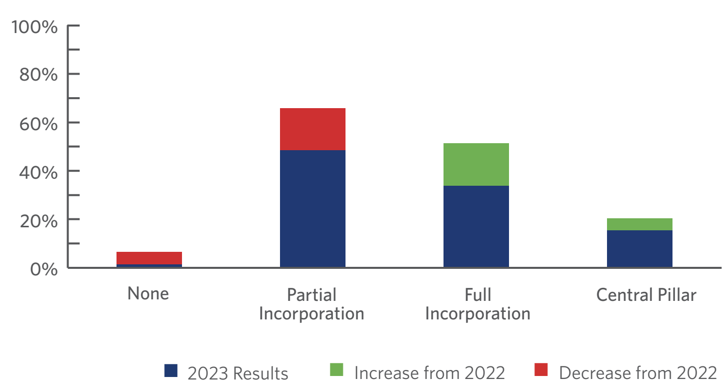
Importantly, we look at our portfolio of managers both on a point-in-time basis (*i.e.*, all managers in the portfolio as-of a certain date) and on a roll-forward basis (*i.e.*, managers that were in the portfolio last year, how do they score this year). We see the same trends using both methods. Therefore, we are confident that what we're seeing in our data is being driven by manager actions and not simply a result of us disproportionately selecting managers over the last year with more ESG emphasis.

Takeaway #1: Alternative asset managers, particularly longer-duration managers that invest in private markets, are increasingly incorporating ESG into their analysis and engagement with management teams.

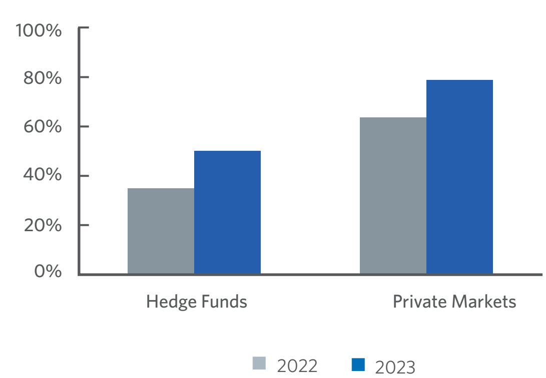
In the last year, we saw a reduction in the number of managers with "none" or "partial" incorporation of ESG factors and an increase in managers with "full" or "central pillar" levels of ESG incorporation. The "central pillar" increase was a result of a few new specific managers being added to client portfolios with mission-alignment mandates (as discussed earlier) and do not reflect the transition of managers to "central pillar" from other categories.

One input into our evaluation of ESG incorporation is whether (and to what extent) managers engage with portfolio companies on ESG issues. Not every manager has engagement as part of their investment strategy, but for those that do, we've seen increased incorporation of ESG factors into those engagement activities. Through our conversations, we have concluded that as a result of the increased weight being placed on ESG transparency by broad market participants, our managers have been informing and encouraging portfolio companies to meet those transparency expectations to take advantage of that premium in the market.

2023 Total Portfolio ESG Incorporation - Year over Year



Engages Directly with Portfolio Companies on ESG Issues

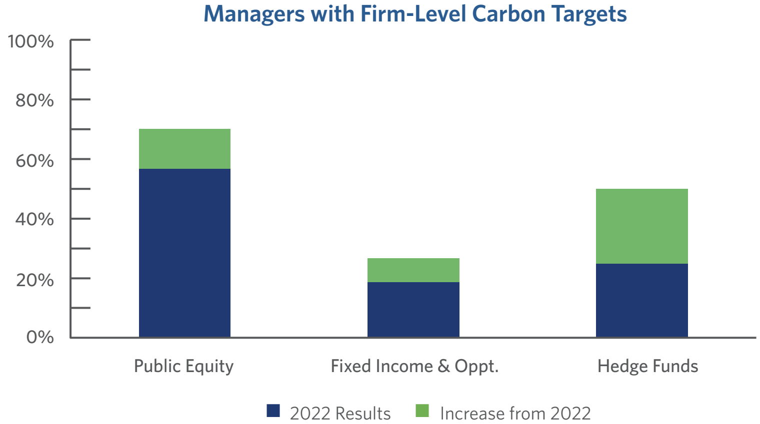


Takeaway #2: Managers across asset classes are continuing to integrate ESG into their own operations.

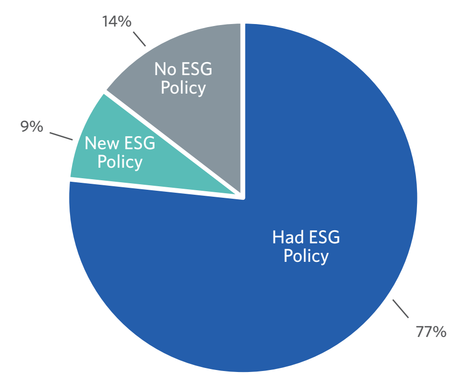
In two of the most objective metrics that we use, we saw managers making a material and meaningful increase in their incorporation of ESG into their own business operations. Through our conversations with those managers, they shared that these initiatives are more being driven by internal management (for ESG policies) and employees (for firm-level carbon targets) and not by external investors or regulatory pressures.

- ESG Policies: We saw increases in the number of managers who adopted ESG policies in every asset class category. Through our conversations, we observe that our managers are becoming more structured and rigorous in the way in which they use ESG to add value to client portfolios and are adopting ESG policies as a way to codify, formalize, and systemize that thinking.
- Firm-Level Carbon Targets: We also saw increases in the number of managers that have adopted carbon-emissions targets at the operating firm level. While a small number of managers are fully carbon-neutral today, many of the rest are measuring their emissions, have goals for emissions reduction, or are exploring offsets.

Managers with Firm-Level Carbon Targets



Firm-Level ESG Policy by Manager

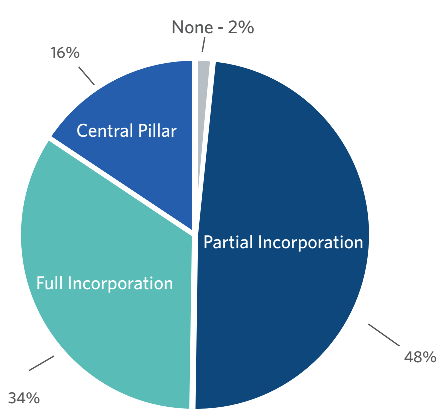


Portfolio Updates

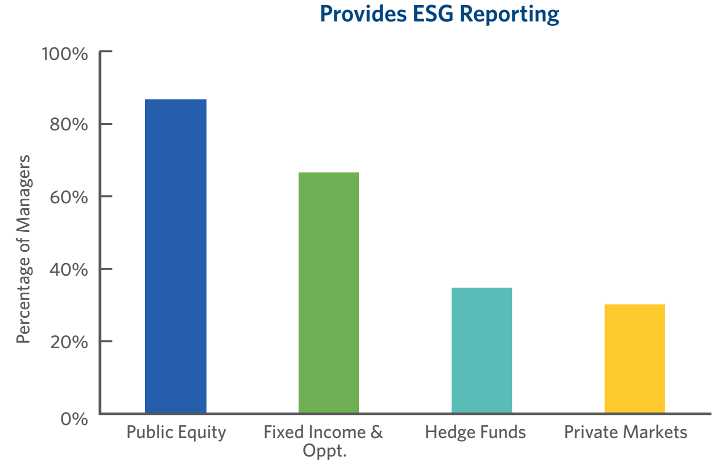
We evaluate our managers based on three stages of the investment process: an initial identification of potentially attractive opportunities, further investment due diligence, and final portfolio construction. We categorize ESG integration in each of these three stages into four categories.

- **None:** limited or no incorporation of ESG factors in the investment process.
- **Partial Incorporation:** some consideration of material ESG factors.
- **Full Incorporation:** extensive consideration of material ESG factors.
- **Central Pillar:** ESG factors are a central pillar of the investment thesis.

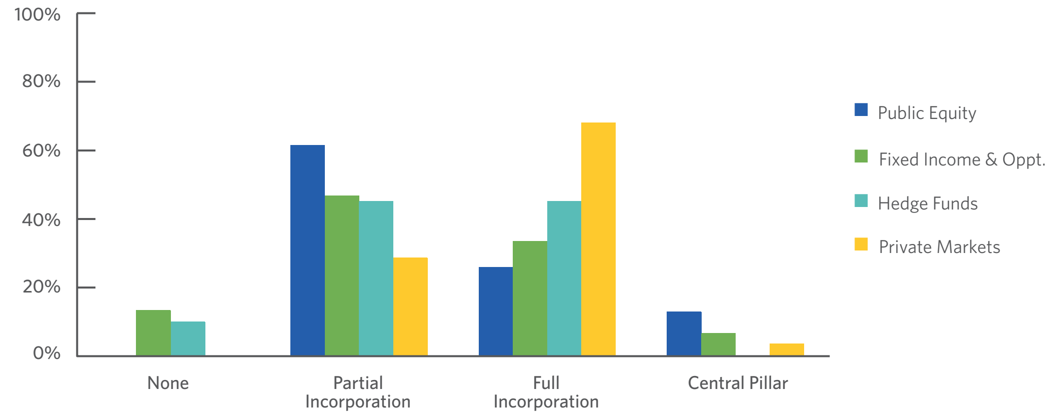
Total Portfolio Managers Incorporating ESG



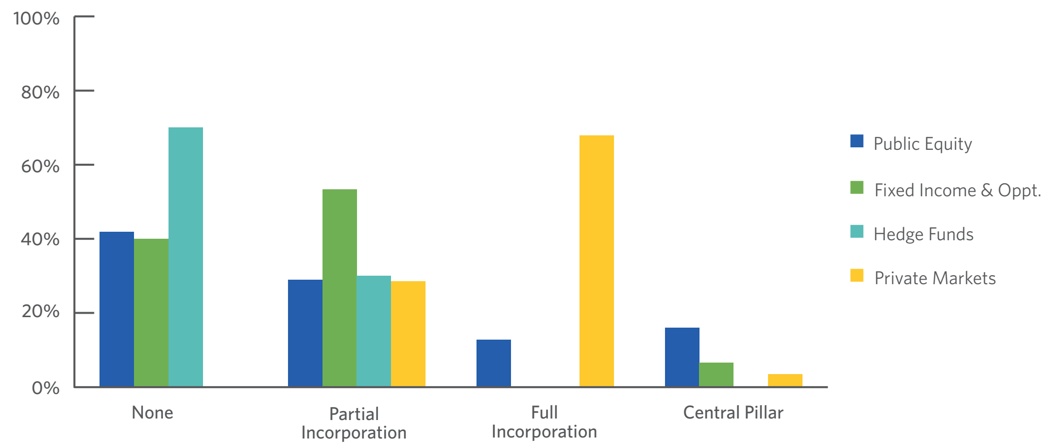
Provides ESG Reporting



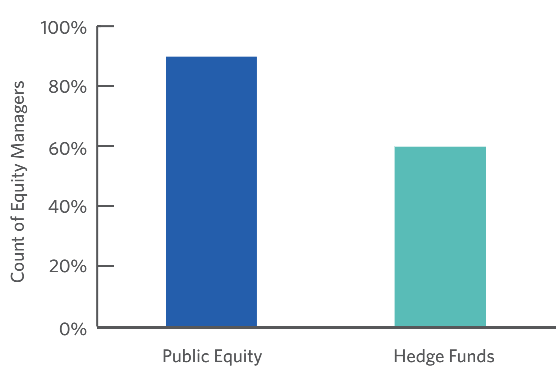
ESG Incorporation in Due Dilligence



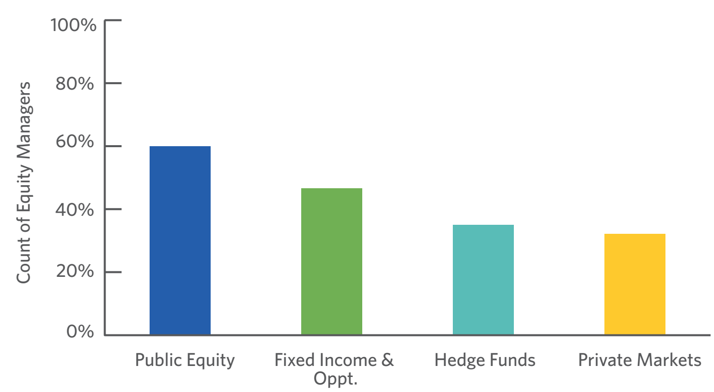
ESG Incorporation in Portfolio Construction



Managers Participating in ESG-informed Proxy Voting



Managers with Dedicated ESG Personnel



Appendix B - Measuring and Managing Strategic's Operating Carbon Emissions

We believe that prudent stewardship of assets for future generations includes our planet's natural and biological assets. Climate change threatens our ability, and the ability of our clients, to implement our missions in our communities. As a result, we embarked on a journey to measure the Scope 1, 2, and business travel carbon emissions of our firm and have committed to publicly reporting this data, along with our efforts to reduce and offset those emissions going forward.

Strategic does not have direct emissions related to manufacturing goods or services, resulting in zero Scope 1 emissions. Scope 2 emissions are from energy usage from the firm's daily operations. Scope 3 emissions encompass any upstream or downstream indirect value chain emissions. Due to lack of data availability, we measure only our business travel related Scope 3 emissions.

Tons CO2e	2019	2020	2021	2022
Scope 1 Emissions	N/A	N/A	N/A	N/A
Scope 2 Emissions	286	193	158	197
Business Travel Emissions	74	30	27	87
Total Emissions (Scope 1, 2, & Travel)	360	223	185	284
Total Emissions Per Employee	3.6	2.2	1.7	2.7

This is only the beginning. We have had extensive internal conversations to set goals around emissions reduction and potential sponsorship of negative-carbon projects that ensure the sustainability of the natural assets upon which we all rely.

Recent efforts to reduce our carbon emissions include:

- Enhanced energy efficiency in our office building during the recent renovation, including installing LED lighting, light timers, and more efficient heating and cooling systems.
- Enhanced our recycling and composting programs.
- Limited the use of disposable food service items.

Moreover, our office building is:

- LEED Gold Certified by the U.S. Green Building Council
- UL Healthy Building Certified
- Energy Star Certified
- Fitwel Certified

Strategic Investment Group

Strategic, a pioneer in dedicated Outsourced CIO (OCIO) solutions since 1987, offers a comprehensive service platform for managing customized portfolios for institutional and private investors. Our proprietary process combines active portfolio management, rigorous risk management, and open architecture manager selection.

Strategic functions as our clients' investment partner and co-fiduciary, effectively becoming an extension of their resources. Clients are then free to focus on their core businesses, while we focus on providing the highly specialized portfolio management expertise that clients need to meet their investment goals. Depending on a client's needs and preferences, Strategic can orchestrate the management of an entire portfolio comprising multiple asset classes, focus on specific asset classes, such as alternatives (e.g., venture capital/private equity, real estate, and/or hedge funds) or international investments, or manage strategies with high potential for adding value. Customized liability-driven investing (LDI) solutions, whether through an integrated total portfolio approach or a targeted long-duration strategy, are also available, as are solutions that address mission-related investment objectives.

We strive to build enduring partnerships with our clients by strengthening their investment programs through a dynamic, value-enhancing investment process, sound governance framework, and world class client service. Our mission is to empower investors through experience, innovation, and excellence.

For more information, please email us at inquiries@strategicgroup.com.

Strategic Investment Group®

1001 Nineteenth Street North
17th Floor
Arlington, VA 22209 USA

+1 703.243.4433 TEL
+1 703.243.2266 FAX

strategicgroup.com