



31 OCTOBER 2025

Stewardship code report.

Reporting period: January–December 2024

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Introduction and background

SEI Investments (Europe) Ltd delivers technology and investment solutions that connect the financial services industry.

With capabilities across investment processing, operations, and asset management, SEI Investments (Europe) Ltd ("**SIEL**" or "**the Firm**"), as part of the SEI Group of companies, works with corporations, financial institutions, and professionals to solve problems, manage change, and help protect assets—for growth today and in the future.

This Stewardship Code Report relates to SIEL. SIEL is authorised and regulated by the Financial Conduct Authority (the "**FCA**") in the United Kingdom. SIEL's current principal activities are the provision of investment management, advisory, and technology solutions to professional clients.¹ SIEL is also the appointed distributor of the SEI Funds (which is defined below).

SIEL understands that environmental, social, and governance ("**ESG**") factors could have material impacts on the financial performance of an investment, thereby affecting investors' ability to take advantage of opportunities, manage risk, and achieve their desired investment goals.

SIEL is part of the SEI Group (which is described in greater detail below). As such, subject to SIEL's oversight and mandate, SIEL is able to draw on the expertise of other members of the SEI Group from time to time in relation to the assets managed by SIEL for its clients.

The SEI Group offers investment products, including mutual funds, collective investment products, alternative investment portfolios, and separately managed accounts, to a range of institutional and high-net-worth investors.

As at 31 December 2024, the SEI Group manages, advises, or administers approximately US\$1.6 trillion in assets.

We approach sustainable investing with the same curiosity and conviction that have enabled our success for more than 50 years.

¹ As defined in FCA Handbook COBS 3.5

About the SEI Group

SEIC was founded in 1968 by our Chairman, Alfred P. West Jr. SEIC is NASDAQ-listed (NASDAQ: SEIC) with a market cap of

£8.53B, and approximately 5,000 employees across four continents and seven countries.

The SEI Group serves a broad range of client types of all sizes and complexity, including 8 of the top 20 US banks* and 45 of the top 100 investment managers worldwide.**

*As of June 30, 2025. Based on the American Bankers Association's "25 Largest Institutions by Fiduciary Assets" list of FDIC regulated institutions, published as of Mar. 12, 2025.

**Based on *Pensions & Investments*' "Largest Money Managers" 2024 ranking.

SEI Group structure and activities

Figure 1: SEI organisational chart



SEI Investments Company ("SEIC") is the ultimate parent company of the SEI Group of companies. SEIC is an entity domiciled in Pennsylvania, USA, whose shares are registered with the U.S. Securities and Exchange Commission (the "**SEC**") and listed on the NASDAQ Stock Market LLC. SEIC is regulated by the Federal Financial Institutions Examination Council.

SEIC is a signatory to the United Nations Principles for Responsible Investment (PRI).

SEI Investments (Europe) Ltd ("SIEL") is an entity domiciled in England, United Kingdom, and is a financial services firm authorised and regulated by the Financial Conduct Authority (the "**FCA**"). SIEL provides financial services, including asset management services, investment advisory services, and technology solutions to professional clients. SIEL is also the appointed distributor of the SEI Funds (defined below). SIEL's clients include UK pension schemes, UK asset managers, independent financial advisers, and wealth managers.

SEI Investments Global, Limited ("SIGL") is an entity domiciled in Dublin, Ireland. SIGL is authorised and regulated in Ireland by the Central Bank of Ireland (the "**CBI**") as a UCITS management company and an Alternative Investment Funds management company. SIGL manages SEI's Irish fund range, which comprises: (i) the UCITS funds - SEI Global Master Fund plc, SEI Global Assets Fund plc, and SEI Global Investments Fund plc, (together the "SEI UCITS Funds"); and (ii) the alternative investment funds - SEI Global Investments CCF and SEI Institutional CCF (the "**SEI Alternative Funds**" and together with the SEI UCITS Funds, the "**SEI Funds**").

SEI Investment Management Corporation ("SIMC") is an entity incorporated in Delaware, USA, and is regulated by the SEC. SIMC provides investment management and advisory services to financial institutions and institutional investors. SIGL has appointed SIMC to provide investment management and advisory services to the SEI Funds. In addition, SIMC carries out certain stewardship activities on behalf of SIGL (in relation to the assets invested in the SEI Funds) and SIEL (in relation to the assets it manages).

About this report

SIEL is the entity submitting this Stewardship Code Report (the "**Report**") in compliance with the UK Stewardship Code 2020 in its capacity as an asset manager and service provider.

As such, the disclosures in this Report only relate to assets managed by SIEL in its capacity as investment manager.

This Report reflects activities undertaken during the 2024 calendar year, 1 January to 31 December 2024, unless otherwise noted.

A handwritten signature in blue ink, appearing to read 'J London', is positioned above a horizontal line.

Jim London

CEO and Director of SEI Investments (Europe) Ltd

Principle 1

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

SIEL's purpose

SIEL believes that its portfolio management business should be conducted in a manner that achieves sustainable growth and demonstrates a commitment to, amongst other things, corporate responsibility, whilst managing material risks for its clients.

SIEL brings together leading-edge thinking, investment strategy, technology, and operations into holistic outsourced solutions.

SIEL's platforms and solutions seek to improve outcomes for investors and the organisations that support them. SIEL's solutions can provide sustainable benefits to clients and investors through the propositions listed below.

Technology

SIEL utilises technology to provide greater clarity of information and efficiency of implementation. From front to back office, SIEL has developed end-to-end platforms for wealth and investment management, which are delivered as flexible, outsourced infrastructure solutions that include processing, network, and cybersecurity services. SIEL's continual investments in research and development further enhance these business solutions.

Operations

Providing for delegation of day-to-day activities to enable organisations and decision-makers to focus on strategic issues.

By assuming full responsibility for back- and middle-office operations, SIEL relieves clients of the day-to-day operational responsibilities that can have a negative impact on their productivity, thereby allowing them to devote more time to growing their businesses and engaging with their clients.

Asset management services

SIEL offers goals-based advice, customised wealth management solutions, and outsourced investment management programmes that help clients achieve their goals.

SEI has transformed the way individuals view investing, from groundbreaking research on asset allocation to goals-based investing and the launch of outsourced investment management. As part of its strategy, SIEL has been able to utilise SEI's investing expertise to benefit its clients. SIEL benefits from access to leading investment managers, a dedicated research team looking at emerging trends, and a sustainable investment rating system used to assess managers and their strategies through its relationship with the SEI Group (see Principle 7 for more detail).

SIEL's applicable service offering for the purpose of this Report consists of: (i) Outsourced Chief Investment Officer and fiduciary management services to pension scheme trustees (the "**Fiduciary Management Services**"), which is provided through SIEL's 'Institutional' business line; and (ii) the provision of model portfolios and investment advisory or discretionary investment manager services to financial intermediaries such as wealth managers, financial adviser firms, and banks (the "**Model Portfolio Services**"), which is provided through SIEL's 'Global Intermediaries' business line.

Fiduciary management services

SIEL provides Fiduciary Management Services to pension scheme trustees of either Defined Benefit ("**DB**") or Defined Contribution ("**DC**") pension schemes (such clients will be referred to in this report as "**DB Pension Scheme Clients**" or "**DC Pension Scheme Clients**" or collectively as "**Pension Scheme Clients**" as required), which may include any or all of the services detailed in Table 1 below.

SIEL seeks to implement investment strategies that meet the Pension Scheme Clients' targets whilst promoting sound corporate governance and reporting. SIEL works together with its Pension Scheme Clients to create a portfolio of investments that aims to achieve the overall objective(s) of the pension scheme. In many instances, the overall objective of the Pension Scheme Clients is to achieve fully funded status on a Technical Provisions basis³ or a self-sufficiency basis or a buy-out basis.

Typically, the Pension Scheme Clients will have an additional objective of striking a balance between the stability of funding and the long-term cost benefit provision whilst being mindful of its fiduciary duty regarding the stewardship of the assets. SIEL works closely with Pension Scheme Clients, offering the flexibility of allowing such clients to delegate discretionary portfolio management of their pension scheme assets to SIEL, whilst still retaining strategic control and oversight of their asset allocations. SIEL works with Pension

³ As defined in the Pensions Act 2004

Scheme Clients to help them identify and manage evolving risks and opportunities that may impact their Portfolio, which may include sustainability concerns.

Table 1: Fiduciary management services

Strategic advice and management	Investment management
• Long-term objective setting • Risk budgeting • Financial modelling, including scenario modelling • Strategic asset allocation • Journey planning • LDI structuring • Integrated risk management • Sponsor cash flow modelling • Buy-in/buy-out scenario modelling and construction	• Manager research, selection, oversight, and replacement • Portfolio construction • Liability stress testing • Liquidity stress testing • Proxy voting • Private market programme management • Funding level monitoring • LDI implementation • De/re-risking • Transition management • Risk management • Buy-in/buy-out portfolio construction
Reporting	Actuarial coordination
• Integrated reporting (goals-based and asset-based) • Trustee training/information/attendance at meetings • Audit support • Online access to account details • TCFD reporting support	• Funding policy development • Confirmation of assumption setting • Review of financial disclosure reporting

Model portfolio services

SIEL offers Model Portfolio Services to financial intermediaries such as financial adviser firms, wealth managers, and banks (the “**Financial Intermediary Clients**”), which represent different investment styles and strategies, and which are designed to meet a range of financial goals. Each model portfolio delivers an objective investment approach that encompasses asset allocation, manager selection, manager allocation, and risk management and comprises of a number of the SEI UCITS Funds (where stewardship activity primarily occurs) and may also comprise a number of third-party funds, which SEI does not manage or control.

SIEL's Fiduciary Management Services and Model Portfolio Services are supported by SIMC's manager research, asset allocation, and portfolio construction advice and leverages the SEI Group's established and flexible asset management solutions, which have helped firms grow their assets under management for nearly 50 years.

Investment beliefs and philosophy

SEI Group is a pioneer in the field of goals-based investing, the philosophy of which sits at the intersection of behavioural finance and modern portfolio theory.

SIEL believes that acknowledging and accounting for common behavioural biases while simultaneously harnessing the power of efficient portfolio construction can help investors maximise the chances of achieving their financial objectives. We also believe that constructing portfolios according to investors' major financial goals (such as retirement, education, or lifestyle) and integrating them with the risk tolerance associated with each of those objectives provides a greater understanding of how the goals and investments align.

This should allow for a higher level of comfort with the overall investment strategy—thereby increasing the odds that investors will remain invested in the financial markets and focused on achieving their goals, rather than making portfolio changes as a reaction to short-term market volatility. We believe that maintaining consistent exposure to the markets over time is the surest way to earn attractive returns, and that doing so with a goals-based approach should help investors achieve their financial goals.

SIEL recognises that sustainability is important to many investors who may seek to minimise negative sustainability impacts and/or maximise positive sustainability outcomes through their investments. SIEL acknowledges that sustainability factors may have material impacts on the financial performance of an investment, thereby impacting investors' ability to take advantage of opportunities, manage risk, and achieve return objectives. SIGL seeks to consider sustainability factors in the management of the SEI UCITS Funds by:

- Performing an assessment as part of manager research to develop a deeper understanding of each manager's capabilities (see Principle 7);⁴
- Requiring all SEI UCITS Fund managers to consider material financial and non-financial risks as part of their investment process;
- Conducting effective and independent risk oversight; and
- Striving to act as good stewards of assets through shareholder engagement and proxy voting (see Principles 9-12).

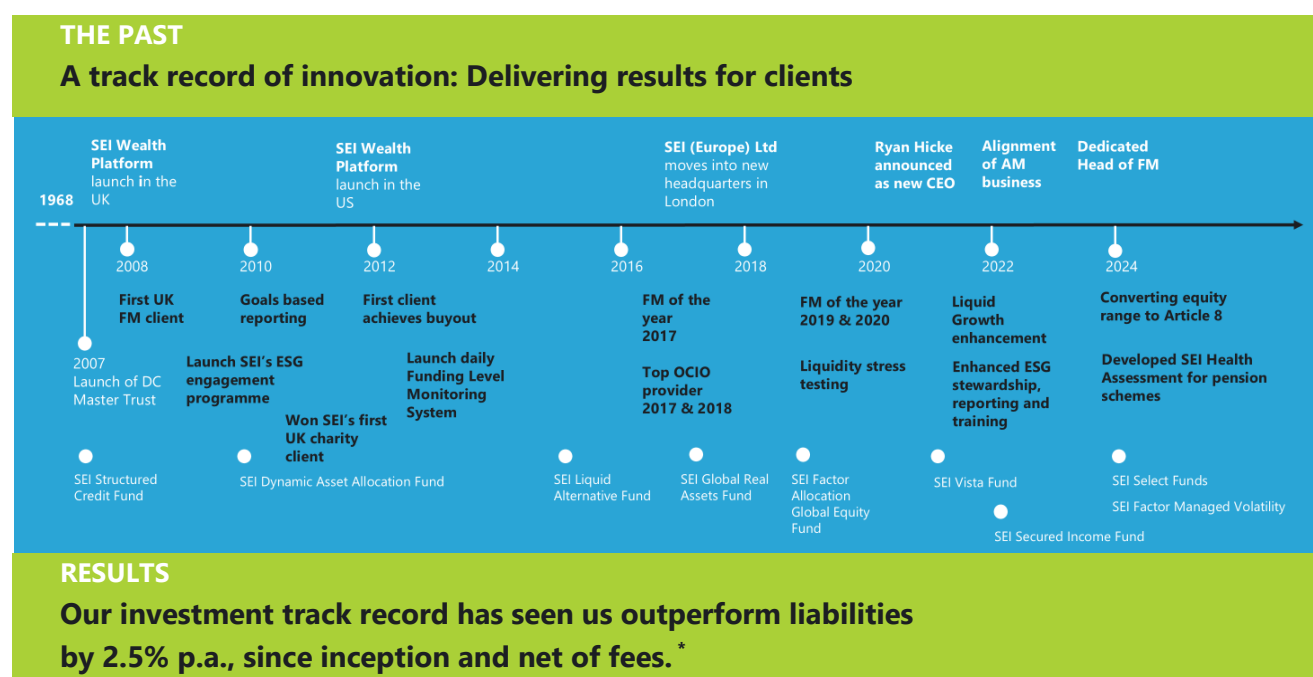
⁴ Whilst SIMC (as investment adviser to the SEI Funds) performs an assessment of each manager's sustainability capabilities, which are available to be considered by portfolio managers when making hiring decisions, neither SIMC nor SIGL requires a minimum level of such capabilities in order for a manager to be hired in a fund without a sustainability mandate.

SEI's sustainable investing goals include enhanced risk-adjusted returns for our clients while using engagement and stewardship to encourage companies to manage long-term risks and opportunities.¹ Although SIMC does not take a prescriptive approach to integrating sustainable investing into its investment process, both SIMC and SIGL believe it is important to include in our manager analysis. Sustainable investing is one factor among others that form the basis for SIMC's overall assessment of a manager's skills and competitive advantages. SIMC and SIGL include it because it promotes a wider understanding of a manager's investment process.

The SEI Group's investment philosophy continues to evolve as we explore innovative investment solutions amid the ever-changing landscape of the financial services industry. To this end, SEI Group has undertaken new endeavours and updated our existing offerings with the goal of improving risk-adjusted returns and cost efficiency. Prominent developments over the years have included:

- **Alpha sources:** SEI's strategies are designed to capitalise on long-term drivers of market performance through exposure to persistent sources of return such as value, momentum, and quality. SEI has refined its approach to identifying these alpha sources and the factor groups we employed as proxies to measure and capture their performance.
- **Internal management:** The SEI Group was among the first companies to offer manager-of-managers portfolios to both institutional and individual investors in the United States, Europe, Canada, South Africa, and Asia. Today, SEI blends its active multi-manager offerings with internally managed solutions to create customised, cost-effective portfolios for our clients and our clients' end customer.
- **Sustainable investing:** The SEI Group has offered custom-built sustainable investing strategies to institutional clients (who request the same) for the last 30 years. Today, the scope of SEI's sustainable investing focus also includes manager research and product development efforts. SEI implements the six principles of PRI where consistent with our clients' investment philosophy.

Figure 2: Delivering investment results for our DB pension scheme clients



*At the end of December 2024, inception date 1 August 2009. The composite includes all schemes with a return target of gilts +0% to gilts > 3.5% in Sterling were calculated. Past performance is not an indicator of future returns.

Our sustainable investment approach and beliefs

Please see Principle 7 for details of our sustainable investing approach.

At SIEL, we believe that our business should be conducted in a manner that achieves sustainable growth and demonstrates a commitment to corporate sustainability, which includes supporting our client's investment strategies to include sustainable investing.

The activities and outcomes of our sustainable investing practices on behalf of SIEL's clients are detailed throughout this report.

Activity

SEI provides five layers of sustainability implementation when approaching portfolio construction, which are set out below:

- **Manager research:** To assist in manager research assessments, SEI has created a framework (dubbed PRISM for Preference Rating Investment Scoring Matrix) to capture SEI's best thinking on what it deems to be most relevant and important to evaluating a firm or manager's investment practices, including sustainable investing. The framework is structured as a series of equally weighted criteria that address key aspects with regard to sustainable investing, such as profile, resources, and practices at the firm level (about 25 criteria in total), and investment and stewardship at the

strategy level (about 10 criteria in total). While the analyst rating is based on equal weighting, the final rating is left to the analyst's judgement of which factors carry the greatest significance.

- **Manager engagement:** SEI's manager engagement efforts bring focus and scale to the ways that it engages with its third-party managers to develop or improve their consideration of sustainability risks and opportunities in their investment practices. SEI works with many boutique and specialist investment managers and believes that engagement on sustainability topics is an important educational opportunity that can enhance client outcomes over time. More detail on this programme is found in Principle 7.
- **Screening:** In choosing investments for the SEI UCITS, SIMC is able to screen for certain controversial weapons by excluding securities issued by an entity involved in the sale, production, research, or development of controversial weapons, defined as anti-personnel mines, biological weapons, chemical weapons, and cluster munitions. SIMC also applies a screen, which excludes securities issued by an entity that generates more than 10% of its annual revenue from involvement in thermal coal exploration, mining, and production, as well as services that support thermal coal production. A further screen is applied to exclude sanctioned entities, which are governments or companies associated with a regime under sanctions (for example, Iran and Russia) by an authority SEI recognises.
- **ESG integration:** SEI's Article 8 global equity funds are managed by SIMC who are advised by the Quantitative Investment Management (QIM) team. The team uses a dynamic ESG pricing tool to identify and take advantage of ESG opportunities. The tool takes the 33 key ESG issues identified by MSCI and considers each ESG indicator as a measure of risk. The process then assesses how such risks are priced to facilitate a risk-return trade-off. ESG indicators that display a lack of sufficient risk premium are deemed unattractive and are calibrated and adjusted to the weights of these indicators to place greater emphasis on indicators displaying greater risk premium over time (subject to sufficient data coverage), enabling the team to actively select ESG indicators in a systematic way.
- **Investment stewardship:** Investment stewardship is the practice of aligning the SEI UCITS proxy voting and shareholder engagement activities to support long-term management of risks and opportunities by the companies in which the SEI UCITS invest. SEI's third-party partners research complex sustainability issues and proactively engage with senior management of corporations to help enact change.

Supporting our clients

SIEL works with its fiduciary management and model portfolio clients to understand their investment beliefs and goals and support them in a number of ways, including:

- Helping clients set sustainable investment objectives. We engage with our clients to understand how their views and beliefs on sustainability informs their investment strategy.
- Educating clients on various issues and approaches to sustainable investing.
- Supporting DB Pension Scheme Clients and Fiduciary Management Intermediary Clients and assisting them to comply (where relevant) with the Taskforce on Climate-related Financial Disclosures (“**TCFD**”) requirements by providing required metrics and data, and in some cases qualitative overlay information.

SIEL and SIMC are able to provide TCFD metrics and data to clients who may not necessarily be in scope of the TCFD requirements, as this will provide clients with an insight into their portfolio’s exposure to a variety of sustainability metrics versus a benchmark proxy. Our reporting can also be tailored depending on the client’s needs.

The Firm believes we have been effective in addressing a number of client needs and requests, particularly in the areas of training, understanding our clients’ beliefs, and taking account of their feedback. We see sustainability reporting and products as a continual work in progress, and we have detailed above the specific projects that are being considered and addressed. We expect to have more to report in these areas going forward.

SIEL’s values demonstrate that the very philosophy of the way in which we work supports and promotes our desire and ability to actually do the right thing.

- **Courage:** We think and act like owners, embracing risk to drive growth for our clients and company.
- **Integrity:** We do what we say and act with transparency (because it’s the right thing to do).
- **Collaboration:** We work with each other, our clients, partners, and communities to solve problems that matter.
- **Inclusion:** We nurture an environment of respect and belonging where people are empowered to be themselves.
- **Connection:** We build lasting relationships through which we learn, grow, and succeed.
- **Fun:** We have fun.

SIEL is committed to maintaining an entrepreneurial and financially rewarding work environment. This is manifested through a flat organisation with an informal social culture and a ‘no walls’ work environment that fosters flexibility, teamwork, and rapid

communications. SIEL operates on principles of openness, integrity, innovation, transparency, and collaboration. These guiding principles inform all aspects of our business, including stewardship. They allow us to view trends clearly, question, think ahead, challenge convention, and ultimately produce comprehensive solutions for big business challenges.

Outcomes

- SIEL has helped its DB Pension Scheme Clients to align their Statement of Investment Principals (“**SIPs**”) and Implementation Statements with the Department of Work and Pensions (“**DWP**”) guidance.
- The SEI Group produces an annual Corporate Sustainability Report (the “**CSR**”), which describes the SEI Group’s commitment to sustainability, including seeking opportunities to manage our operations efficiently and working to reduce our environmental footprint at our corporate headquarters and data centre, as well as in our global offices, which include SIEL’s offices in central London.
- SIEL has adopted an approach designed to reflect its zero tolerance of slavery and/or human trafficking, in all its different forms, in any part of its business or supply chain. SIEL’s approach also reflects a commitment to act ethically and responsibly in all its business relationships. As such, SIEL will not knowingly support, or do business with, any organisation involved in slavery and/or human trafficking. SIEL’s approach is underpinned by its Modern Slavery Act Policy (located at seic.com/en-gb/Important-information-notices) and a SEI Group programme on third-party risk management, which requires our business to assess the social, ethical, and equality impact of existing, as well as new, business relationships.

SIEL has a number of working groups in place, such as the Operational Oversight Working Group, the Investment Governance Working Groups, and the SIEL Sustainable Investing Working Group, which meet and monitor different aspects of the Firm’s governance, as well as other working groups, which are formed for short periods of time on an ‘as needed’ basis when a new project, piece of legislation, or regulatory requirement requires a Firm-wide solution and implementation.

Policies related to sustainable investment activity and stewardship are approved by subject matter experts and representatives from the relevant SEI affiliate’s legal and compliance department (as required), including SIGL’s [ESG Policy](#) and SIEL’s [Remuneration Policy](#).

SIEL’s Investment Stewardship Quarterly Investment Review details the company engagement and proxy voting activity that SEI undertakes, as well as case studies of our engagement milestones and successes. Such review is provided by SIEL to its DB Pension Scheme Clients on a quarterly basis as part of the clients’ meeting packs.

Principle 2

Signatories' governance, resources, and incentives support stewardship.

Governance and oversight framework

SIEL's governance framework is purposefully structured to support its mission of delivering improved outcomes for investors, in line with Principle 1.

Stewardship is embedded within SIEL's day-to-day investment operations through dedicated specialist teams and subject matter experts who actively engage with and oversee SIMC's stewardship-related activities.

The Investment Governance Working Groups ("**IGWGs**") play a central role in procuring that the management of portfolios which are delegated to and therefore performed by SIMC, are aligned with SIEL's expectations across all aspects of the investment process including sustainability and stewardship.

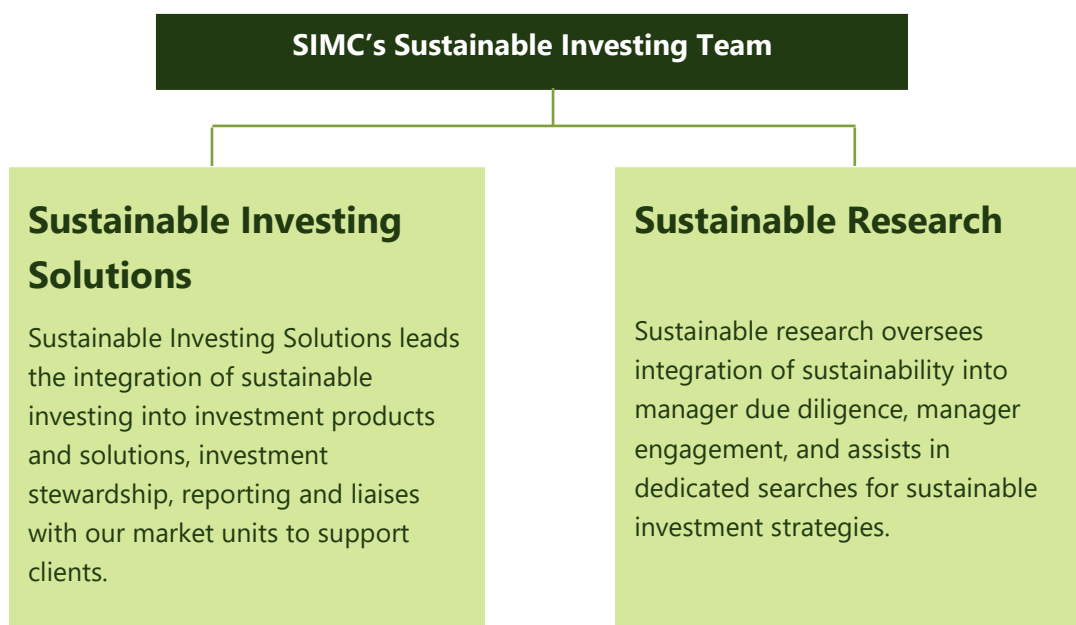
Governance and oversight

Throughout 2024, SIEL's sustainable investing efforts were led by SIMC's Sustainable Investing team ("**SSI**"), which includes the 'Sustainable Investing Solutions' and 'Sustainable Research' teams.

The Sustainable Investing Solutions team's responsibilities include: the integration of sustainable investing into certain investment products and solutions, investment stewardship, and sustainable investment reporting, which supports SIEL's clients with respect to sustainable investing issues. The Sustainable Research team oversees integration of sustainability inquiries into manager due diligence, leads dedicated searches for sustainable investment strategies, and directs activity associated with manager engagement.

The SSI collaborates with a broad range of teams within the Investment Management Unit ("**IMU**"), including but not limited to, portfolio management and manager research, technology, operations, and trading, on sustainable investing policies and implementation of sustainable investing initiatives. Furthermore, SIEL's business unit, solutions teams, client relationship managers, and advice teams support the implementation of sustainable investment solutions for SIEL's clients.

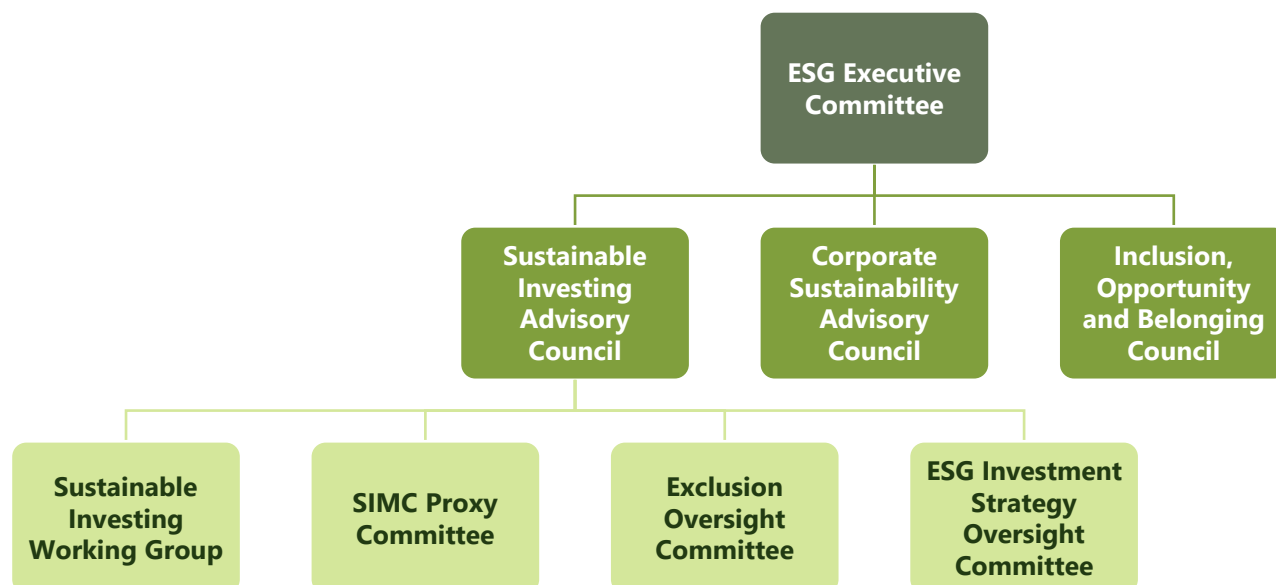
Figure 3: SIMC's Sustainable Investing Team



In 2024, SEI established an enhanced governance framework for sustainability to provide coordinated and strategic alignment across the organization.

Figure 4 illustrates the structure aimed to provide top-down leadership and direction for sustainability across our business activities and operations globally.

Figure 4: SEI's sustainability governance



Stewardship activities are monitored, discussed, and (where appropriate) escalated to senior management at SIEL who may further escalate issues or make recommendations to a number of committees and working groups. We have chosen this structure as we believe it

ensures that senior management has sufficient oversight of sustainable investing activities and strategies, which enables alignment to SEI's purpose and beliefs across the business.

Table 2 details the working groups and committees that form part of SEI's governance structure in relation to stewardship. This structure begins with our business as usual ("**BAU**") processes (Tier 1) then moves on to SIEL Business Unit working groups, which oversee SIEL's BAU processes (Tier 2), working groups that oversee processes at the SEI Group level (Tier 3), the Sustainable Investing Advisory Council (Tier 4), and finally to the ESG Executive Committee and SIEL's London Executive Committee (Tier 5) and SIEL Board (Tier 6).

The Firm believes that the governance structures we have put in place relating to stewardship are effective insofar as they enable oversight of, and leverage expertise from different entities within the SEI Group. However, we believe that we could further improve the effectiveness of our governance structure by ensuring that discussions and outcomes that are held within these working groups and committees are disseminated throughout the SEI Group, as appropriate, so that wider feedback can be received.

Table 2: 2024 governance working groups and committees

Tier 1a Investment Strategy Group (ISG)

The Investment Strategy Group, based within SIMC, is responsible for investment implementation, including evaluating and selecting managers and ensuring they meet SIEL's clients' objectives. The group has responsibility for managing directly invested portfolios and multi-manager portfolios. Both forms of implementation consider a range of sustainability factors within investment decision-making, if deemed appropriate, given the objectives of SIEL's client or SEI Fund.

For third-party manager selection, ratings associated with sustainability criteria are available alongside other material criteria (such as firm, people, philosophy, process, construction, etc.) and are incorporated into the mosaic that forms a final, overall rating for a firm and product. The merits of sustainability criteria are weighed on a product-by-product basis. Members of SIMC's Investment Strategy Group and SSI are responsible for assigning firm and strategy sustainability ratings for third-party managers. See Principle 7 for more detail.

SIMC Sustainable Investing Team (SSI)

The SSI, collaborates with and reports on sustainable investing policies and implementation. It consists of two teams: sustainable investing solutions and sustainable research.

SIMC's Sustainable Investing Solutions and Sustainable Research teams employed five full-time staff as of 31 December 2024. These teams are supported by a much larger network of employees, such as risk management, investment strategy, and investment operations.

The processes for assigning sustainability ratings for firms and strategies are overseen by SIMC's Head of Sustainable Research (15 years' experience, CFA charter holder, CFA Institute's Certificate in Sustainable Investing) who sits within the SSI.

Tier 1b**IMU Oversight Committees**

The objective of the governance framework is to ensure that the IMU's investment processes, product implementations, and investment results are meeting the expectations of clients as well as adhering to established policies and procedures, via oversight committees. The IMU oversight committees include the Sub-Advised Portfolio Management Oversight Committee, the Internally Managed Oversight Committee, ESG Investment Strategy Oversight Committee, and the Asset Allocation Oversight Committee.

The committees are chaired by the Chief Risk Officer (28 years' experience, CFA charter holder) and include members from various functions across the IMU.

Tier 2a**SIEL Sustainable Investing Working Group (SSIWG)**

The activities of the SSIWG include monitoring and due diligence of stewardship activities, considering new or alternative environmental, social, and governance data and metrics and being a forum to discuss new sustainable investing solutions. Members of the SSIWG are drawn from the business units, product solutions, legal, compliance and client strategy. The SSIWG reports to SIEL's head of asset management periodically and provides updates on sustainable investing legislation and regulation to the Firm's business units.

The working group is chaired by a Client Strategy Director (10 years' experience, CFA charter holder).

Tier 2b**Global Intermediaries and Fiduciary Management Investment Governance Working Groups**

The IGWGs are established at a SIEL-level with the main objective of overseeing the governance of defined investment processes pertaining to SIEL's Financial Intermediary Clients and Pension Scheme Clients.

The Global Intermediaries working group is chaired by SIEL's Head of Asset Management Client Solutions with stakeholders from legal, compliance, risk, and IMU attending quarterly meetings.

The Fiduciary Management working group is chaired by a Client Strategist (20 years' experience, FIA) with stakeholders from legal, compliance, risk, and IMU attending quarterly meetings.

Tier 3a	SIMC's Sustainable Investment Working Group (SIWG) SIMC's SIWG aims to advance SEI's sustainable investing strategy and capabilities by establishing common frameworks, goals, and metrics for use across SEI's investment products and solutions. This working group is chaired by SIMC's Global Director, Sustainable Investing Solutions (17 years' experience, advanced degree, CFA Institute's Certificate in Sustainable Investing).
Tier 4	Sustainable Investing Advisory Council (SIAC) The Sustainable Investing Advisory Council brings together leaders from across SEI's investment management and distribution groups globally. The SIAC sets strategy, policy, and direction for sustainable investing across SEI, and it oversees a number of functional working groups and committees that support the execution of cross-functional sustainable investing activities. This council is chaired by SIMC's Global Director, Sustainable Investing Solutions (17 years' experience, advanced degree, CFA Institute's Certificate in Sustainable Investing).
Tier 5a	ESG Executive Committee (EEC) The ESG Executive Committee comprises senior executives of SEI. The EEC sets SEI's overall philosophy and approach to ESG.
Tier 5b	SIEL London Executive Committee (LEC) The Firm is managed day-to-day by the Firm's senior management executives, who together make up the London Executive Committee. The LEC's activities are overseen directly by SIEL's board of directors. The Firm has not specifically assigned climate-related responsibilities to any committees, which sit below the Board in the Firm's governance structure.

Tier 6**SIEL Board**

The management structure for SIEL has been developed in consideration of the nature, scale and complexity of SIEL's operations and is designed to align with SIEL's governance structure to provide an appropriate and effective control structure.

The board of directors of SIEL are comprised of executive and non-executive directors (the "**Board**"). The Board retains all decision-making powers except those that it has formally delegated to a committee. As permitted under the Firm's Articles of Association, the Board delegates certain management responsibilities to key executive and management committees. The Firm's executive management committees include (but are not limited to) Risk, Client Assets, and Products and Services Governance.

The SIEL Board also sets SIEL's strategy.

The SIEL Board is responsible for approving the SIEL Stewardship Code Report following the recommendation for approval by the SIEL's Products and Services Governance Committee.

SIEL's Investment Governance Working Group (IGWG)**Global Intermediaries**

The objective of the Global Intermediaries IGWG is to oversee the governance of SIEL's Financial Intermediary Clients, including but not limited to:

- The performance and activity of investment managers with respect to relevant SEI Funds;
- The performance of all model portfolios that are provided to clients;
- Suitability of the model portfolios;
- Any investment and/or regulatory breaches that have impacted the applicable SEI funds and model portfolios; and
- The output of portfolio stress-testing and target market assessments.

Fiduciary Management

The objective of SIEL's IGWG is to oversee the governance of defined investment processes pertaining to SIEL, including but not limited to:

- Segregated accounts and clients' outside assets oversight;
- Portfolio rebalancing;
- Fund performance against benchmarks;
- Review of Institutional Reference Portfolios; and
- Oversight of new funds ideas and changes to current funds that could have an impact on the investment profile, which may include implementation of sustainable investing.

During the reporting period, the IGWGs consisted of approximately eight individuals from the business units, legal, compliance, and risk.

The IGWGs may, at times, choose to invite other members of SEI or third parties to the meeting when deemed appropriate (e.g., inviting members of SIMC's IMU to the meeting to discuss new investment ideas).

SIMC's Sustainable Investing Working Group

The SIMC SIWG works collaboratively to incorporate insights and feedback from SEI's market units and investment management functions while establishing new best practices in sustainable investing. Objectives for the SIWG include, but are not limited to:

Governance: Establishing principles for oversight and governance of sustainability and climate-related risks and opportunities.

Strategy: Supporting enhancement and development of new best practices and strategies for integration of sustainability into investment practices and advice. Investment practices and advice may include manager research, selection, and engagement; portfolio construction; data evaluation, acquisition, and integration; investment stewardship; client reporting; and new product development.

Risk management: Establishing risk management frameworks and practices that incorporate sustainability, with a particular focus on climate-related risk, into existing risk management systems.

Metrics and targets: Contributing to the establishment of IMU- and product-level metrics and targets to establish sustainability performance baselines and desired direction of travel.

Over 2024, the SIMC SIWG consisted of around 20 individuals across The SEI Group's US, Canadian, and European businesses. It consists of members of SIMC's IMU, SEI's market units and, and SEI's legal and compliance department. We have found that a forum where

individuals can bring a wide range of perspectives has contributed positively to the advancements that SEI has made from a sustainable investing perspective in recent years.

SIEL has several representatives at the SIMC SIWG, and those representatives also participate in key project groups that are overseen by the SIMC SIWG, which over 2024 focused on topics such as:

- Continued collaboration with SIMC's manager engagement programme
- Developed sustainable investing microsite for educational content
- Enhanced SIMC's sustainable investing data dashboard
- Supported new sustainability governance structure

Over 2025, SIMC SIWG's project groups are expected to focus on a number of areas that include, but are not limited to, developing thought leadership content on emerging sustainability trends, supporting the transition of additional funds to SFDR Article 8, and drafting a firm level sustainable investing policy.

Resourcing and incentives: Support for sustainable investing

Resources

During the period, the SEI Group utilised the following additional resources. The relationship with these external service providers is overseen by SIMC's sustainable investment solutions team:

- (i) ISS ESG: ISS ESG, the responsible investment arm of ISS STOXX assists the customised screening that SIMC applies to the management of its SEI UCITS Funds that incorporate ESG screening.
- (ii) Morningstar Sustainalytics: Sustainalytics undertakes shareholder engagement on behalf of SIMC. Sustainalytics also provides controversy data to SIMC.
- (iii) Glass Lewis: Glass Lewis has been appointed to vote proxies on behalf of SIMC's client globally in accordance with Guidelines approved by SIMC.
- (iv) MSCI: MSCI provides ESG data including ESG ratings and climate-related data to SIMC. Data is incorporated into internal analysis and client-reporting as needed, such as for TCFD-aligned reporting for DB Pension Scheme Clients and the SEI Trustees DC Master Trust.

Incentives

While SEI does not currently link sustainability or stewardship performance directly to employee incentives, the firm promotes long-term alignment through robust employee ownership structures. SIEL and SEI Group employees may invest directly in SEIC (the NASDAQ-listed entity), and SEIC's public stock is offered through the firm's pension and share ownership plans. Senior professionals are eligible for incentive-based share plans, and all employees may purchase SEIC shares at a discounted rate (85% of market value). These programmes are designed to foster long-term savings and promote a culture of ownership, aligning employee interests with the long-term success of SEIC.

Training

SIEL's investment and client service teams receive regular training on a variety of topics and are encouraged to engage in ongoing learning and professional development through resources including Docebo, GetAbstract, LinkedIn Learning, and SEI's Professional Development Reimbursement Programme.

In 2024, the sustainable investing solutions group developed a microsite to house all internal educational material on sustainable investing that the team has produced. This included a series of nine live and on-demand sessions and covered themes both specific to SEI, such as SEI's approach to sustainable investing, and broader market themes like the relationship between climate change and asset management. The site also provides external learning options, including TED talks and professional development courses for employees to deepen their understanding of sustainability trends. These efforts will carry on into 2025 to continue to provide educational resources for SEI Group employees on the ever-changing sustainability landscape.

Within SIEL, sustainability subject matter experts, as well as those identified to be in client-facing and sales roles, are provided with access to these trainings and required to complete a training curriculum specific to their role, including an ESG specific course in 2024.

In addition, the SSI provides periodic training to portfolio management and client service teams within SEI's market units, with a particular focus on new programmes and strategic initiatives.

Workforce

SIEL strives to provide all of its employees with the opportunity to grow and contribute to the success of the business.

Diversity and inclusion

SIEL believes in the power of inclusion, opportunity, and belonging (IOB) to fuel our approach to creating solutions for new challenges, making better decisions, and providing every employee access to the resources and opportunities that foster their growth—regardless of their identity. This, in turn, provides SIEL with a greater ability to deliver good stewardship of its client's assets.

In 2024, SIEL continued to build upon its foundation of IOB work with new partnerships and employee surveys and trainings. More information on the SEI Group's commitment to inclusion, opportunity, and belonging is available on SEI's [webpage](#).

Both SIEL's and the SEI Group's investments in its global gender diversity initiative, which aims to attract, develop, and retain female employees, is guided by its analysis of what it believes it is doing well and where it should focus energies to improve.

As part of this commitment, SIEL continues to take action regarding our gender diversity across SIEL to include the following:

- Interview and unconscious bias training for recruiting managers
- SEI Women's Development Series
- SEI Women's Network activities
- SEI's Opportunity Series displaying talented female employees
- SEI's Coaching Programme
- Mentoring relationships

SIEL's 2024 gender pay gap report was published in March 2025 and includes a snapshot from April 2023 to April 2024. Our mean fixed pay gap decreased slightly from 21.6% to 19.0%, and our median fixed pay gap increased from 6% to 10.5%. Our mean bonus gap has decreased from 67.9% to 57.7%, and our median bonus gap has decreased from 26.2% to 3.7%. SIEL continues its aim of reducing its gender pay gap. It is worth noting that due to the relatively small size of SIEL (with fewer than 300 employees); small changes in staff can significantly impact the calculation of the gap percentages.

During 2024, SIEL has continued to participate in various early career programmes, including the 10,000 Black Interns Programme, by hosting two interns. SIEL has committed to participating in the programme again in 2025.



We strive to ensure our employees are supported and feel they can be themselves at work.

Our Employee Resource Groups

We believe it's important to make a meaningful, positive impact on the communities in which we work and serve, and our Employee Resource Groups (ERGs) enable us to make an impact.

SEI enABLE: Supports neurodivergent and disabled employees

The mission of SEI enABLE is to enable development of community around individuals who identify as neurodivergent and people with disability, both in and out of SEI.

SEI Pride: Supports LGBTQ+ employees

SEI Pride provides a network of support for the professional development and personal connections of our LGBTQ+ global employees. In so doing, SEI Pride will work with Workforce Development and management to facilitate activities that support recruitment and retention and continually seek to build community among SEI's LGBTQ+ global employees directly and through its many allies.

SEI Women's Network: Inspires and supports the professional growth of women

The mission of the SEI Women's Network (SWN) is to inspire and support the professional growth of women by providing educational forums, including networking opportunities and encouraging success. The team organises learning and networking events throughout the year, including the annual Leadership Summit. The SWN seeks to be the authentic voice of women at SEI to raise awareness, provide support, and make impactful change.

SEI Cares: Encouraging employee-organised fundraising and volunteering

SEI Cares is an employee-led, company-sponsored programme that promotes philanthropy within the SEI community. The programme's activities include selecting partner nonprofits, making grants to these partners, organising volunteer activities, collecting employee donations, and generating employee engagement in philanthropy.

SEI Green Team: Helps us reduce, reuse, recycle

The SEI Green Team supports SEI by promoting a sustainable and conscious corporate culture. We do so by educating employees on how to make greener choices in and out of the workplace, increasing awareness of SEI's sustainable practices, and promoting employees to conserve, sustain, and evolve with SEI.

SEI Wellness Team: Supports the wellbeing of all employees

This HR-led group provides a wide range of benefits designed to meet the diverse needs of SEI employees at all stages of their lives. The SEI Wellness Team's plans provide access to quality healthcare, promote healthy lifestyles, and provide a financial foundation and protection for employees and their families from loss of income and financial hardship—all at an affordable cost.

Somos SEI: Supports Hispanic/Latinx employees

The mission of the SEI Somos is to connect, support, and address the professional needs of Hispanic/Latinx employees.

SEI Black Professionals Network: Connects and supports Black professionals within the SEI global community

The mission of the SEI Black Professionals Network (SBPN) is to connect, support, and address the professional needs of SBPN members through awareness, leadership development, educational forums, and networking opportunities, recognising the value black professionals contribute to corporate culture and commerce.

The SEI Group plans to continue supporting, growing, and strengthening the SEI community through a number of key programmes:

Training: Continue SEI leadership team and staff training on racial equity, unconscious bias, and micro aggressions.

Mentoring: Continue to create communications and conversations through mentoring support and aiding in the establishment of new affinity groups as required.

Over 2024, SEI made a number of enhancements to its sustainable investing programme and its employees' understanding of sustainability matters. These include:

- Transitioning additional SEI UCITS Funds to Article 8
- Developed an internal sustainable investing microsite to house the library of online training materials
- Conducted engagements through SEI's manager engagement programme; and
- Built out formal escalation policy related to corporate engagement.

Key initiatives for 2025

Over 2025, SEI plans to develop a firm-wide sustainable investing policy, transition additional funds to SFDR Article 8, explore the possibility of a fixed-income engagement programme and further enhance engagement and escalation practices.

Principle 3

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

It is a regulatory requirement for a financial services firm to act in the best interests of its clients and identify and manage conflicts of interest. It is therefore important for our clients to know that SIEL has a robust process in place to identify conflicts, manage them effectively, and treat our clients fairly.

SIEL has implemented a number of policies and tools that assist the Firm in managing conflicts of interest.

Conflicts of Interest Policy

SIEL maintains a detailed Conflicts of Interest Policy (the “**CIP**”), which is reviewed by SIEL’s Compliance team.

A [summary of the CIP](#) sets out SIEL’s approach to identifying, preventing, or managing conflicts of interest that may arise during the course of its business activities.

Conflicts of Interest Register

SIEL maintain a Conflicts of Interest Register that captures all conflicts of interest and the controls designed to prevent or manage these. Relevant documentation in relation to the periodic monitoring and testing of the controls are recorded as follows:

- From a first-line-of-defence perspective, via reasonable steps taken by each Senior Management Function, in relation to conflicts of interest arising in their respective areas of responsibility
- From a second-line-of-defence perspective, in the central Conflicts of Interests Register maintained by SIEL’s Compliance team.

Training

SIEL’s annual Compliance Refresher training for existing employees and part of the compliance induction training for new employees includes employees’ responsibility to identify and report potential and actual conflicts of interest.

To the extent that the conflicts of interest framework relies upon other policies and procedures (for example, Personal Account Dealing, Outside Business Interests, Inducements, and Best Execution), training on these specific conflicts is provided in accordance with the training requirements specified in those policies.

Conflicts of interest management

The Firm actively looks to prevent or effectively manage potential and actual conflicts of interest by designing internal controls that aim to reasonably ensure compliance with our policies. Below we list a range of potential conflicts of interest in relation to SIEL's Fiduciary Management Services and Model Portfolio Services and potential stewardship-related conflicts of interest in order to highlight our mitigation and control activities for each. There have been no known conflicts of interest relating to Stewardship.

Table 3: Examples of potential conflicts

Area	Potential conflict	Mitigation and controls
Client communications	Clients could be provided with unfair, unclear, or misleading communications that could incentivise prospects or clients to do something that may not, or may appear to not be, in their best interests.	Compliance with the Client Communications Policy and with associated procedures minimises the risk that this conflict materialises. All financial promotions and client communication materials are reviewed through a subject matter expert (SME) process as well as a second-line of defence Compliance review process, using a risk-based approach.
Gifts and entertainment and investment research	The giving or receiving of gifts, entertainment, or any other form of gratuity or hospitality may create the appearance of partiality and may lead to a potential conflict of interest between the interests of the donor/receiver and the interests of SIEL's clients. In certain circumstances, fees, commissions, or non-monetary benefits may conflict with, or be seen to conflict with, SIEL's duty to act honestly, fairly, and professionally, and in	Compliance with the Inducements Policy (including Gifts & Benefits), the SIEL Employee Conduct Framework, the SEI Code of Conduct, the Anti-Bribery and Corruption Policy, and with associated procedures minimises the risk that this conflict materialises. SIEL employees are required to complete an inducements form for each gift, entertainment, or other potential inducement, above a certain defined threshold. This has to be signed off by the relevant SMF and submitted to Compliance. SIEL does not produce or issue investment research for external use; however, if the wider SEI Group produces research, they must adhere to the relevant group policies to prevent SIEL from being exposed to conflicts where group investment research is produced and issued to clients.

Area	Potential conflict	Mitigation and controls
	the best interests of its clients.	
Order handling and execution	SIEL should handle all orders in the best interests of its clients and ensure that clients are not unfairly disadvantaged because SIEL is incentivised to benefit one client over another client or route orders based on SIEL's own interests.	Compliance with the Order Handling & Execution Policy, the Incidents Policy & Procedures, the Breaches Policy & Procedures, the Complaints Policy & Procedures, and with associated procedures minimises the risk that this conflict materialises. Segregation of duties within the asset management, SEI Wealth Platform, sales/client service teams and the Operations teams also adds additional control to the risk of this conflict crystallising.
Outside business interests (OBI)	To reasonably ensure that any outside business interests held by Employees are disclosed and monitored to ensure they do not create, or appear to create, a conflict of interest between the Employee and SIEL's clients. Specifically, within the context of Stewardship, Conflicts may arise where an SEI employee responsible for engaging with a company or a voting decision at a company has an OBI or has a position of influence at this company through themselves or close connections.	Compliance with the OBI Policy (which sets out the parameters within which an outside business interest is permissible), and the SIEL Employee Conduct Framework minimises the risk that this conflict materialises. All employees are required to complete an OBI form prior to commencing a new OBI. Additionally, pre-employment checks are carried out for new joiners to SIEL and second-line of defence reviews take place on a risk-based approach.
Personal account dealing	There is a potential conflict of interest if	Compliance with the Market Abuse Policy, the Personal Account Dealing

Area	Potential conflict	Mitigation and controls
and insider trading	Employees enter into personal account deals in a manner that puts their personal interests ahead of SIEL's clients' best interests, which includes, for example, front-running, utilising confidential information to deal under preferential terms, or any trading activity that incentivises Employees to treat SIEL's clients less favourably.	Policy, and the SIEL Employee Conduct Framework minimise the risk that this conflict materialises. Specific controls include a pre-clearance Compliance approval process on specific types of financial instruments.
Remuneration	Employees may be remunerated in a manner that incentivises them to act in a way, which is not, or may appear to not be, in SIEL's clients' best interests or by putting their own personal, and/or SIEL's, interests above those of SIEL's clients.	Compliance with SIEL's Remuneration Policy, SIEL's Remuneration Committee Terms of Reference, and SIEL's Employee Conduct Framework (to the extent that it sets out the requirement for employees' competence to be assessed annually and in conjunction with the Remuneration Policy, ensuring that employees' remuneration is not inappropriately incentivising them) minimises the risk that this conflict materialises.
Proxy voting Please note that proxy voting is overseen by SIMC, on behalf of SIEL. SIMC has the authority to vote proxies for shares they own. See our summary Proxy Voting Policy here.	There could be a potential conflict of interest where SIEL, other SEI legal entity, or individuals on the Proxy Committee have a material business or personal relationship in the companies soliciting the voting proxies or the firm in question is a significant client of SIEL. Many of our institutional clients are themselves listed	SIMC must vote proxies in a manner consistent with the best interest of each Client and must not place its own interests above those of its Clients. SIMC has elected to retain an independent proxy voting service (the Service) to vote proxies for Client accounts, which votes proxies in accordance with Proxy Voting Guidelines (the Guidelines) approved by SIMC's Proxy Voting Committee. The Guidelines set forth the manner in which SIMC will vote on matters that may come up for shareholder vote. The Service will review each matter on a

Area	Potential conflict	Mitigation and controls
	companies in which SEI funds may invest. The conflict that may arise is a reluctance to vote against management for fear of losing revenues in our business.	case-by-case basis and vote the proxies in accordance with the Guidelines. Since the Guidelines are established independent of any specific shareholder vote, SIMC believes that voting by the Service in accordance with pre-established Guidelines mitigates potential conflicts. SIMC does retain authority to override the recommendation of the Service in certain limited circumstances. Such situations may present a conflict of interest. Therefore, in order to consider an override of the Service's recommendation, SIMC's procedures require SIMC to first determine if there are any material business, family, or personal relationships with the company for which the shareholder vote is being held. If there is, then the Committee must determine if the specific matter at issue presents a material conflict of interest. For any proposal where SIMC's Proxy Voting Committee determines that SIMC does not have a material conflict of interest, SIMC's Proxy Voting Committee may overrule the Service's recommendation if it reasonably determines that doing so is in the best interest of the Clients. For any proposal where SIMC's Proxy Voting Committee determines that SIMC has a material conflict of interest, SIMC must vote in accordance with the Service's recommendation unless it has first fully disclosed to each Client holding the security at issue the nature of the conflict and obtained each Client's consent as to how SIMC will vote on the proposal. If SIMC's Proxy Voting Committee decides to overrule the Service's recommendation, it shall

Area	Potential conflict	Mitigation and controls
		maintain a written record setting forth the basis of its decision.
Third-party manager voting	Different interests in voting outcomes—some of our third-party managers may request SIMC to vote in a certain manner in line with their own interests.	Proxy Voting controls: see the proxy voting section above.

The above tools and policies are designed to ensure that we identify, acknowledge, and, where necessary, resolve any conflicts of interest. This includes any conflicts of interest that relate to our stewardship activities.

Principle 4

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

SIEL's investment management programmes consist of delivering investment strategies consisting of equity, fixed-income, and money market mutual funds, collective investment products, segregated accounts, and alternative investments, managed both within SEI and from the wider market through our open architecture platform.

SIEL distributes these strategies to Financial Intermediary Clients and to Pension Scheme Clients.

Consequently, SIEL's clients are exposed to differing and multiple market-wide and systemic risks, which we identify and respond to at both the strategic level and at the asset class level.

The market and systemic risks that we consider are:

- Equity risk
- Property risk
- Interest rate risk
- Liquidity risk
- Operational risk
- Other environmental, social, and governance risks
- Credit risk
- Currency risk
- Inflation risk
- Counterparty risk
- Climate risks

SEI believes the most effective approach to risk management is to utilise sophisticated operating technologies and advanced data management to maintain an ongoing view of the assets (and liabilities where appropriate) at any given time.

SEI commits substantial resources and has invested heavily in technology—both proprietary analytical tools and industry-leading software—that enables SEI to analyse portfolios, decisions, and return profiles.

SIEL believes that its portfolio management business should be conducted in a manner that achieves sustainable growth and demonstrates a commitment to, amongst other things, corporate responsibility, whilst managing material risks for its clients. This is reflected in SEI's Code of Conduct which requires all employees to act honestly, ethically, and with integrity in their dealings with each other and their stakeholders.

Risk management framework

SIEL has established a risk management framework (RMF) that enables SIEL to achieve its strategic objectives and evidence that the firm is managing risks. By better managing its risks, SIEL protects the interests of clients, investors, and the parent company, SEIC.

The RMF sets out the policy requirements and risk management components to identify, measure, mitigate, monitor, report, and govern financial, non-financial (operational), and strategic risks in line with SIEL's regulatory obligations and risk appetite. The RMF embeds the management of risk at all levels within SIEL and is subject to review at least on an annual basis or in case of any relevant change to the risk framework to ensure it recognises both new and emerging risks in the business and is appropriate and proportionate for a business of SIEL's size, scale, and complexity. Oversight of the RMF includes the Internal Capital Adequacy and Risk Assessment ("**ICARA**"). The ICARA documents SIEL's approach to managing risks and assesses regulatory capital requirements. The ICARA uses risk data and inputs from every component of the RMF, e.g., incidents, risk and control self-assessment (RCSA), and uses these to develop ICARA-stressed scenarios and reverse stress testing.

SIMC's IMU team has several specialists who focus on how macroeconomic and other market-wide issues could impact the assets it manages, and they advise SIEL on potential scenarios and their impact to SIEL's clients' portfolios. These results feed into SIEL's strategic decision-making and planning process.

Systemic risk

SEI seeks to identify and manage its exposure to and impact of systemic risks across its investment solutions, including those related to SIEL and its clients. The main objective of SIMC's Investment Risk Management team is to ensure that the IMU's portfolio and investment strategies meet clients' and SEI's expectations. The team monitors risk metrics such as investment guidelines, risk budgets, stress testing results, liquidity, derivative usage, and regulatory limits to ensure all SEI investment products (which includes the Irish Funds) are in line with regulatory requirements and prescribed risk profiles.

Client portfolio risk mitigation

SIEL's customises each DB Pension Scheme Client's strategic asset allocation to their individual circumstances taking into consideration (where applicable) the unique nature of any liabilities, trustee risk tolerances, sponsor financial position, liquidity and cash-flow requirements, and long-term funding objective(s). Oversight of such DB Pension Scheme Clients' asset allocations resides with the IGWG. See Principle 2 for more information on the IGWG and a summary of the key areas of focus for the IGWG over 2024.

SIEL also reports to our client's detailed analysis to understand and mitigate risk within client portfolios. All strategies are stress-tested to inform how a portfolio may react to market events, including liquidity constraints, extreme dislocations and price slumps, and climate-related scenarios. There is also a focus on asset class correlation, which allows our process to be more aware of systemic risks than one based strictly on sample data. Our correlation stress tests focus on shocking capital markets through correlation raises, thereby mitigating the systemic risk attributed to underlying market correlations. Furthermore, in line with the TCFD guidelines, we have developed (and are further improving) a robust climate reporting framework for applicable client portfolios.

In 2024, SIMC enhanced internal dashboards to monitor various ESG metrics across a wide range of our funds, specifically around social metrics. Our Fund ESG Analytics are provided by MSCI and capture various metrics versus the respective fund's benchmarks. Metrics include, but are not limited to; board gender diversity, United Nations Global Compact (UNGC) compliance, implied temperature rise, scope 1 & 2 carbon emissions and Climate Value at Risk (CVaR).

Managing risk through engagement

SEI strongly believes that actively engaging with the companies we invest in may help manage both market and systemic risks over the long term. In 2024, through SEI's engagement partner, Sustainalytics, SEI engaged companies facing unmanaged or poorly managed financially material sustainability risks. A total of 371 engagements were conducted in 2024 focused on material risk topics that spanned a wide range of issues, including improved disclosures, product quality and safety, bribery and corruption, and water security.

Through this initiative, we have achieved 176 milestones globally, please see Principle 9 for further detail regarding milestones. SEI also proactively engaged on five new thematic focus areas that it believes represents significant systemic risks to the wider economy, environment, and society, these are set out below:

- Biodiversity and natural capital
- Climate transition
- Human capital management
- Scaling circular economies

- Sustainability and good governance

In 2024, 292 engagement cases were conducted focusing on these thematic topics and 175 milestones were achieved.

SEI also engages with companies that have been involved in systemic business misconduct and/or breaches of global norms and standards. Guidelines include:

- UNGC
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- United Nations Guiding Principles on Human Rights

In 2024, 159 engagement cases were conducted focusing on norms and standards and 52 milestones were achieved.

See Principles 9 and 10 for more information about SEI's engagement programme.

SEI believes it can further develop industry best practices and enhance its managers' abilities to manage sustainability-related risks through SEI's 'Manager Engagement Program'. Further detail on SEI's Manager Engagement Program can be found in Principle 7.

Policy and committee memberships

Connecting with the wider investment community so we can amplify our impact in promoting well-functioning financial markets is important to us at SEI. Therefore, SEI sits on several committees and consults with multiple organisations on topics ranging from climate change to enhancing liquidity policies. A list of committees and consultations is listed below, with more detail on some of these memberships listed in Principle 10.

Through participation in these committees, SEI has made key contributions to the wider investment community, as exemplified below:

Investment Consultants Sustainability Working Group (ICSWG UK steering committee)

With SEI as a founding member and contributor to the Stewardship workstream, SEI has participated in producing a set of 'Asset Manager Assessment' principles that aim to harmonise market expectations for the assessment of asset managers on the subject of sustainability.

Further industry and government initiatives in which we have participated:

- PRI signatory (the United Nations)
- Defined Benefit Funding Code consultation (The Pensions Regulator)
- Consultation on reform to RPI (HM Treasury and UK Statistics Authority)
- Case for greater consolidation consultation (Department for Work and Pensions)

Reflect on effectiveness

Overview

2024 continued to present an extraordinary case study for risk management. We were able to reflect on and assess our response to events throughout the year, most notably the regional banking crisis.

Global CrowdStrike outage

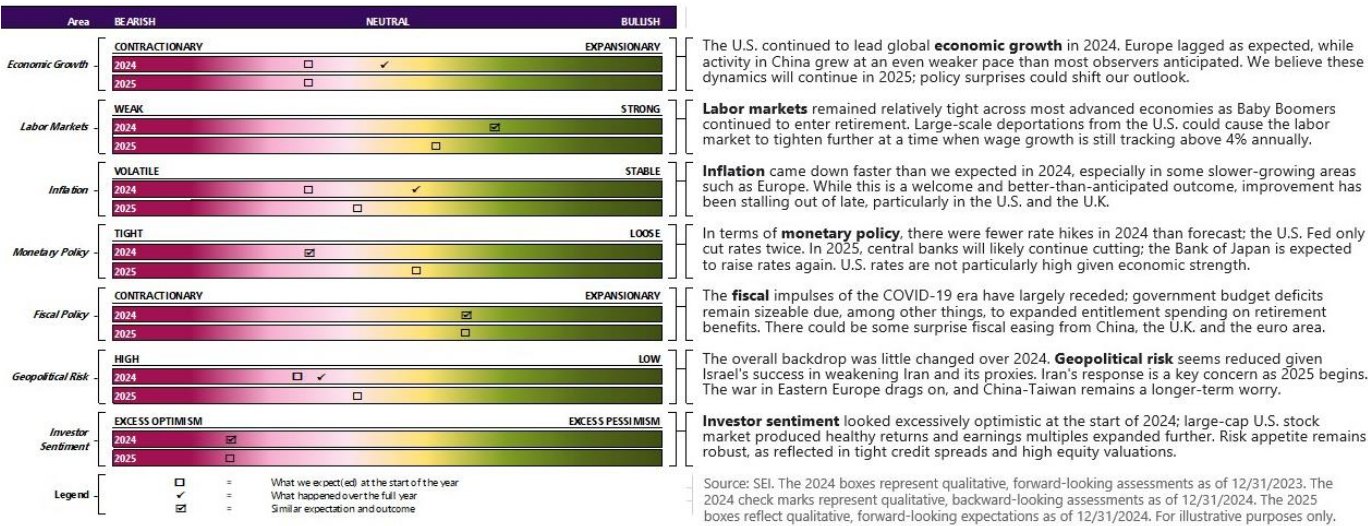
SEI’s business continuity protocols proved effective during the CrowdStrike outage (and aftermath) of 19 July 2024, which affected computers and firms globally.

Despite widespread trading disruption across the financial services industry, SEI maintained stability operationally. The firm’s infrastructure and response mechanisms absorbed the shock with minimal operational fallout underscoring the robustness of the firm’s continuity planning. The incident served as a real-world validation of SEI’s resilience strategy and operational preparedness.

Economic outlooks

At the end of the year, we review the economic positioning we prepared for at the beginning of the year. These forecasts feed into our thinking on risk management. The table below sets out forecast positions at the beginning of 2024 and a review of outcomes at the end. Assessing our forecasts and using the feedback to inform future decisions is an important part of our process.

Table 4: Economic outlook



Summary

While we believe we have effective risk management practices in place, both via our internal controls and external collaborative work, there is always scope to do more. We believe by

working as a collective with peers, as we have shown, we amplify our ability to influence the industry and wider market. A sample of case studies demonstrating SEI's engagement efforts is found in Principle 9. We believe SEI's risk management practices, along with SEI's industry collaboration (detailed here and in Principle 10), help identify and respond to market-wide risks and promote well-functioning markets.

In 2024, SEI continued to improve management of systemic risks related to climate change through shareholder engagement activity and proxy voting, manager engagement programme, and corporate sustainability activities.

Principle 5

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

Policies related to stewardship processes

Various policies detail how different aspects of investment stewardship and sustainable investing are applied within SEI's investment processes.

Policies relating to investment stewardship, shareholder engagement, and sustainable investing are developed either at the SIEL level or by other SEI group entities, depending on the relevance to their respective activities.

SEI ensures that its policies and the results that the policies are intended to achieve are subject to periodic review within its governance structures by the applicable working group/committees (as further described in Principle 2) and/or, relevant subject matter policy owners. The policies are reviewed and, if necessary, updated periodically or when there are strategic or regulatory changes. Further detail on review of the policies is included within specific policy descriptions below. Where required, compliance teams may also conduct an independent review of the updates to policies and may further seek input from external counsel or consultants, as applicable. Any updates to the policies are thereafter sent for approval to the relevant committee, and where required, the relevant board of directors.

Shareholder Rights Directive II ("SRD II") Engagement Policy

SIEL and SIGL are in scope of the SRD II requirement to publish an SRD II Engagement Policy. The SRD II Engagement Policy sets out how SIEL and SIGL, through SIMC, promote effective stewardship and long-term investment decision-making in carrying out its duties as a management company and an investment manager in relation to assets that are invested in in-scope markets. The SRD II Engagement Policy is reviewed at least annually or when a material change occurs and will be updated as necessary.

SIGL's ESG Policy

Details of SIGL's approach to integrating ESG factors into within in the SEI Funds in relation to listed equities and fixed-income investments, including consideration of sustainability risks, are outlined in the SIGL ESG Policy, which is approved by the SIGL board of directors. SIGL's ESG Policy is reviewed on an annual basis or when changes to fund management or investment practices necessitate it.

SIMC's Proxy Voting Policy

SIMC maintains a Proxy Voting Committee comprising representatives of the IMU and Legal and Compliance personnel. SIMC's Proxy Voting Policy is reviewed on an annual basis by SIMC's Proxy Voting Committee (as further described in Principle 3, above).

Effectiveness of policies

SEI seeks to continually enhance its policies, programmes, and procedures related to shareholder engagement, sustainable investing, stewardship, and proxy voting, which means that over time, our programmes evolve and change.

We believe that this approach to continuous improvement, and documenting those practices in relevant policies, supports the long-term success of our clients and underpins our ability to help them meet their investment objectives.

Principle 6

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

SIEL's fiduciary management services and model portfolio services client base²

As set out in Principle 1, SIEL's Fiduciary Management Services are provided through SIEL's 'Institutional' business line, and Model Portfolio Services are provided through SIEL's 'Global Intermediaries' business line.

SIEL's client base for the provision of the Fiduciary Management Services consists of Pension Scheme Clients, and for Model Portfolio Services consists of Financial Intermediary Clients and, as such, SIEL's client base for the purpose of this Report consists of professional clients.³ SIEL's clients in scope of this Report are located predominantly in the United Kingdom, with some exposure globally.

In respect of such clients, SIEL adheres to the FCA Consumer Duty rules which require:

- SIEL's products and services to be fit for purpose and designed to meet the needs, characteristics, and objectives of SIEL's clients.⁴
- SIEL's communications to support and enable SIEL's clients to make informed decisions about financial products and services and to be given the information they need, at the right time, and presented in a way they can understand.⁵

Fiduciary management services

Client objectives

Typically, for DB Pension Scheme Clients, SIEL's investment objective is to outperform their scheme's gilt-based liabilities by a specific return target (determined in discussions with the client) by between 0.5% and 3.5% per annum. SIEL's DB Pension Scheme Clients' time horizons typically span five to 10 years over which they wish to meet their funding objective. This time horizon is usually aligned with the scheme's actuarial recovery plan to meet their Technical Provisions⁶ liabilities or aligned with the timescale to meet the scheme's long-term objective of being fully funded on a lower-risk basis. These targets are agreed upon in discussions with the DB Pension Scheme Client and their scheme actuaries.

² As at 31 December 2024, SIEL's AUM is \$13.7 billion.

³ As defined in FCA Handbook COBS 3.5

⁴ As set out in FCA Handbook PRIN 2A.3

⁵ As set out in FCA Handbook PRIN 2A.5

⁶ As defined in the Pensions Act 2004

In 2024, the UK Pensions Regulator's DB Funding Code came into force. As UK pension schemes increasingly define long-term low dependency or endgame objectives, we work proactively with trustees to align stewardship practices with these evolving needs. This includes supporting clients in ensuring that stewardship remains proportionate, relevant and effective across different investment horizons—including schemes in runoff, preparing for buyout, or targeting "self-sufficiency".

DC members typically have a longer time horizon over which to invest. Many DC members aim to draw down their savings over 30 years in retirement (for example, from age 65 to 95). Including DC members' working lifetimes as well, DC investors typically have truly long-term time horizons, commonly more than 30 years.

Appropriate investment strategies

As part of the setting of a DB scheme's investment strategy, SIEL agrees in discussions with the DB Pension Scheme Client to the target investment return, risk tolerance, and timescale to full funding. The DB Pension Scheme Client's risk preferences are also agreed upon, such as which asset classes to include or exclude, as well as specific policies and beliefs with regards to sustainability to apply to the scheme's investments. This specification of the investment strategy, customised to the DB Pension Scheme Client's needs, is detailed in their 'Fiduciary Management Agreement' with SIEL. Where desirable, we also implement journey plans for DB Pension Scheme Clients to enable de-risking when the scheme's funding level is far enough ahead of the expected path. This is reviewed on a periodic basis, and at least at every triennial valuation. As fiduciary manager, SIEL provides training and advice to clients in setting the long-term objective, and investment matters including sustainability. We provide support to DB Pension Scheme Clients by reviewing their sustainability policies and ensuring their Statement of Investment Principles and Implementation Statements are up to date.

The IGWG meets at least quarterly to review the investment strategies of Pension Scheme Clients to ensure that they remain appropriate for the scheme going forward. The IGWG also considers the Pension Scheme Clients' sustainability policies. When a new Pension Scheme Client is taken on, the lead client strategy director reviews and signs off that each Pension Scheme Client's investment strategy remains appropriate going forward providing any amendments as necessary. Further reviews are undertaken as required.

Sustainable investing policies are discussed with Pension Scheme Clients, and their preferences are applied in the funds and segregated mandates used to manage the scheme's holdings. Periodically, we also survey our Pension Scheme Clients to factor in their preferences when choosing our broader engagement themes.

Reporting

Each Pension Scheme Client's quarterly reports include summaries of recent sustainable investing activities, including shareholder engagement and voting. Further details of these activities are reported annually to Pension Scheme Clients as part of their implementation report, to align with the date of schemes' reports and accounts. More detailed shareholder engagement and voting reports are also available to clients on request.

Some Pension Scheme Clients also employ independent third-party evaluators to help review SIEL's Fiduciary Management Service. These reviews typically include our activity and reporting on sustainability issues. We have discussed how we have taken account of client views on sustainable investing, and what actions we have taken as a result, in more detail in Principle 1.

Assessing effectiveness

SIEL evaluates the effectiveness of its understanding of its Pension Scheme Clients' needs by several means:

- Strategic investment objectives are assessed by DB Pension Scheme Clients annually and SIEL uses this to ensure that the client's investment needs and preferences continue to be met;
- Annual review of default strategies, membership surveys, and employer feedback are used to ensure that DC pension scheme members achieve better outcomes;
- Feedback from Pension Scheme Clients at quarterly investment meetings where investment performance and sustainability issues are reported on;
- Pension Scheme Client surveys and calls by a Pension Scheme Client partner who is not part of the day-to-day relationship team; and
- SIEL's IGWG, which reviews the effectiveness of the application of Pension Scheme Client's investment needs in pooled and segregated mandates.
- We have included more detail on meeting our clients' needs and our assessment of our effectiveness in doing so in Principle 1.

If default strategies, fund choices, and client investment strategies require adjusting, suitable changes are made accordingly.

Meeting clients' needs

All of our Pension Scheme Client portfolios are managed to align with our clients' investment and sustainable investing policies. We take account of clients' views in several ways:

- Customising our investment advice to meet our Pension Scheme Client's specific risk, return, and sustainability requirements, as well as reflecting other preferences;
- Customising our reporting to meet the Pension Scheme Clients' communication needs;
- Selecting specific funds and investments to meet the Pension Scheme Client's specific needs;
- Providing training on a wide variety of investment topics, including sustainability; and stewardship matters. Training topics are agreed upon with Pension Scheme Clients in advance of meetings to ensure that their learning and development needs are met.

Model portfolio services

Client objectives

SIEL offers a range of model portfolios to Financial Intermediary Clients that represent different investment styles and strategies and are designed to meet a range of financial goals. Each model portfolio delivers an objective investment approach that encompasses asset allocation, manager selection, manager allocation, and risk management. Each model portfolio comprises of a number of the SEI UCITS Funds (where stewardship activity primarily occurs) and may also comprise a number of third-party funds, which SEI does not manage or control.

The Financial Intermediary Client will, on behalf of their underlying clients (which may be retail clients), invest in the model portfolios and further utilise the model portfolios to provide onward portfolio management and asset allocation services to their underlying customers. The Financial Intermediary Client will have ultimate responsibility for any investment in the model portfolios.

The level of interaction with a Financial Intermediary Client when constructing model portfolios varies depending upon the nature of SIEL's contractual agreement with them. SIEL does maintain a 'core' model portfolio offering, which is available to Financial Intermediary Clients for direct investment. SIEL then assists in the production of bespoke materials for their underlying customers, such as marketing aids and product support where required.

Where a Financial Intermediary Client would like to work with SIEL to create a more bespoke model portfolio, the Financial Intermediary Client will generally provide SIEL with their objectives, risk tolerances, any parameters and, where applicable, a strategic asset allocation (the “SAA”), which they would like to SIEL to implement. Where required, SIEL may collaborate further with its Financial Intermediary Clients to create the top-level SAA. Beneath the SAA, SIEL implements another layer of asset allocation, which corresponds to the underlying funds/building blocks within the overarching matrix and will toggle these in accordance with the first level of asset allocation. The model portfolios are created to span various risk profiles and currencies, and as noted, there are differing levels of interaction with the Financial Intermediary Client subject to the contractual relationship.

Meeting clients’ needs and assessing effectiveness

The relationships that SIEL fosters with its Financial Intermediary Clients is of a collaborative nature, meaning that sustainability suggestions and recommendations flow bilaterally between the two parties. Due to the individual preferences of each client relationship, SIEL’s practices evolve internally to ensure that SIEL is meeting benchmark criterion as outlined by our various client relationships.

Reporting

Sustainability reporting is provided on a client-by-client basis, subject to their own preferences. Some Financial Intermediary Clients request extensive deliverable documentation whereas other clients are lighter-touch in their approach when it comes to reporting. To pinpoint a few of the key reportable recurring activities, each quarter, during the Quarterly Investment Reviews, a detailed analysis of proxy voting and stewardship and engagement activities is undertaken; this allows SEI to explore further detail on SEI’s partnerships with Sustainability. Other clients request a regular single-page update on our activities from a sustainability perspective, inclusive of internal developments over the quarter and any news we believe to be particularly relevant throughout the industry.

We report on the outcomes of our manager engagement programme throughout the quarter, which often takes the form of an in-person presentation. Client presentations allow us the opportunity to highlight the key attributes and successes of our manager-of-manager business and provide examples of how SEI may deploy our influence over our underlying sub-advisers.

Implementation of ESG overlay

In 2024 we continued to transition our equity funds to SFDR Article 8 designations. Many of these funds are constructed to combine SEI’s internal quantitative capability with the best ideas from a small number of high conviction external managers. External manager portfolios are delivered to SEI via models.

As background, this follows on from actions taken during 2023, which included implementing an ESG overlay within certain of SEI’s equity funds. Variability of ESG methods and data employed by different sub-advisers makes it more challenging to report on promoted characteristics, and therefore obtain SFDR Article 8 designation for traditional multi-managed portfolios. Furthermore, additional costs of implementing ESG may be too high for boutique managers, leading to unintended bias in favour of large asset managers.

To address the challenge, we moved to collecting manager models, integrating a common ESG framework. The process is designed to improve the ESG credentials of the portfolio, while limiting deviation from underlying managers’ holdings. The objective of ESG integration in our Article 8 funds is to reduce exposure to ESG risks, while controlling for deviation in active positions and tracking error against manager models. We did not observe material changes in risk/return characteristics due to ESG integration.

Principle 7

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

Context: Our approach to sustainable investing

For over 50 years, The SEI Group's mission has been to help clients achieve continued success by developing consistently relevant solutions through an outstanding client experience.

SIEL's Fiduciary Management Service and Model Portfolio Service aims to accomplish this mission through an investment approach rooted in active management, guided by skilled manager research, driven by asset allocation, and monitored by independent, in-house risk management.

SIEL recognises that sustainability is increasingly important to certain investors that wish to minimise negative sustainability impacts and/or maximise positive sustainability outcomes through their investments. Further, SIEL understands that sustainability factors may have material impacts on the financial performance of an investment, thereby impacting investors' ability to take advantage of opportunities, manage risk, and achieve consistent returns. SIEL seeks to incorporate sustainability into its investment process where expected to do so by clients by: (i) engaging SIMC to perform a sustainability assessment as part of its manager research to develop a deeper understanding of managers' capabilities, (ii) developing investment solutions to meet clients' sustainability objectives; and (iii) striving to act as good stewards of assets through SIMC's engagement and proxy voting services. More information on our stewardship activities can be found in Principles 9, 10, 11, and 12. More information on sustainable investing across SEI's UCITS Funds can be found in SIGL's ESG Policy on our [Fund Documentation page](#).

Activity

Sustainability in manager research

Manager research and selection underpins SIMC's investment solutions.

SIMC's well-established approach to manager research includes a proprietary sustainability scoring system, which is an input into SIMC's decision to hire a manager that fits clients' sustainability requirements. Firm ratings are updated on at least a biennial basis (and can be updated on a more frequent basis if deemed appropriate) and strategy ratings are updated on at least an annual basis (and can be updated on a more frequent basis if deemed appropriate). Every firm and investment strategy considered undergoes a sustainability due diligence review and receives a sustainability score of strong, moderate, limited, or weak, as determined by SIMC. These sustainability ratings are one of many factors available to SIMC's portfolio management team when selecting managers. Once the manager sustainability rating is established, it forms part of a broader thesis, which includes, amongst other measures, a number of financial ratings that ultimately help inform the decision on whether to include or shortlist the manager for the SEI UCITS Funds. The degree to which sustainability considerations affect SIMC's decisions varies and is considered on a case-by-case basis, including in relation to requests and expectations from clients. For mandates with a dual financial and sustainability objective, we require managers to achieve a minimum sustainability rating across both their firm and strategy sustainability assessments. For other mandates, there is no minimum sustainability rating required for a firm to be hired.

Table 5: Eligibility for inclusion in Sub-Funds that have been categorised as Article 8 or Article 9.

We have highlighted the sustainability rating criteria required by SIGL for the selection of managers for our Article 8 UCITS fund range, as per the SFDR:

		Strategy			
		Weak	Limited	Moderate	Strong
Firm	Weak	Not eligible	Not eligible	Not eligible	Eligible
	Limited	Not eligible	Subject to restrictions*	Subject to restrictions*	Eligible
	Moderate	Not eligible	Subject to restrictions*	Eligible	Eligible
	Strong	Not eligible	Subject to restrictions*	Eligible	Eligible

For our UCITS funds that have been categorised as promoting environmental and social characteristics ("**Article 8**") under SFDR, we require that at least 80% of the assets (measured by Net Asset Value (NAV)) be managed by investment managers that receive a minimum combined score on both firm and strategy assessments that is defined in Table 5 as "Eligible". Investment Managers that received a combined score on both firm and strategy assessments that is defined in Table 5 as "Subject to Restrictions" may be appointed to manage up to 20% of the UCITS funds' NAV. The above selection criteria applies only to products where the strategy is managed as a manager of manager or where SIMC is directly managing assets using its internal capabilities.

Our final sustainability evaluations are based on the following factors:

Firm assessment

Profile: Assess the manager's commitment to sustainable investing through evaluating the breadth and longevity of its sustainable investment practices at both the firm and product level, helping to identify firms that have long believed in sustainable investing and have fully built aspects of their business to support those beliefs.

Resources: Evaluate how well-resourced the manager is to achieve its sustainable investing goals. This is viewed as the bridge between the manager's words and its actions.

Practices: Assess how the manager integrates sustainable investing in its investment process, from investment decision-making to stewardship. This helps to distinguish true sustainable investing from 'greenwashing' or presenting false integration of sustainable investing practices to attract clients.

Controversies: Assess whether the manager has been involved in any high-level controversies related to its business conduct or sustainability practice in the recent past.

Strategy assessment

Investing (active management): Analyse the strategy's integration of sustainability factors, taking into account the degree of materiality in affecting investment decisions and portfolio construction, quality of data and analytics employed, and alignment across the strategy's investment team.

Sustainable construction (passive management): Evaluate the sustainability credentials of the underlying index being tracked by a passive manager.

Stewardship: Evaluate the strategy's approach to stewardship, focusing on reporting capabilities and the intensity and thoughtfulness of issue engagement.

The strategy assessment criteria are updated on a periodic basis by SIMC's Head of Sustainable Research, as deemed appropriate, but at a minimum biennially.

As at the end of 2024, SIMC had completed sustainability due diligence on nearly 200 firms and more than 400 strategies.

Figure 5: Manager research sustainable-investing framework



Source: SEI, as at 31 December 2024. Subject to change without notice.

Table 6: Asset classes and geographies covered by SIMC’s sustainability manager research process

Equities	Fixed income	Other
• Asia Equity • Emerging Market Equity • European Equity • International Equity • Global Equity • UK Equity • US Large Cap Equity • US Small Cap Equity	• Emerging Market Debt (Hard Currency, Local Currency, Blended) • Global Investment Grade Debt (Sovereign, Corporate, Securitised) • High Yield Debt • Liability-driven Investing (LDI) • UK Credit • UK Gilts • Unconstrained Bonds (Absolute Return, Multi-Asset Credit) • US Core Fixed Income	• Multi-asset

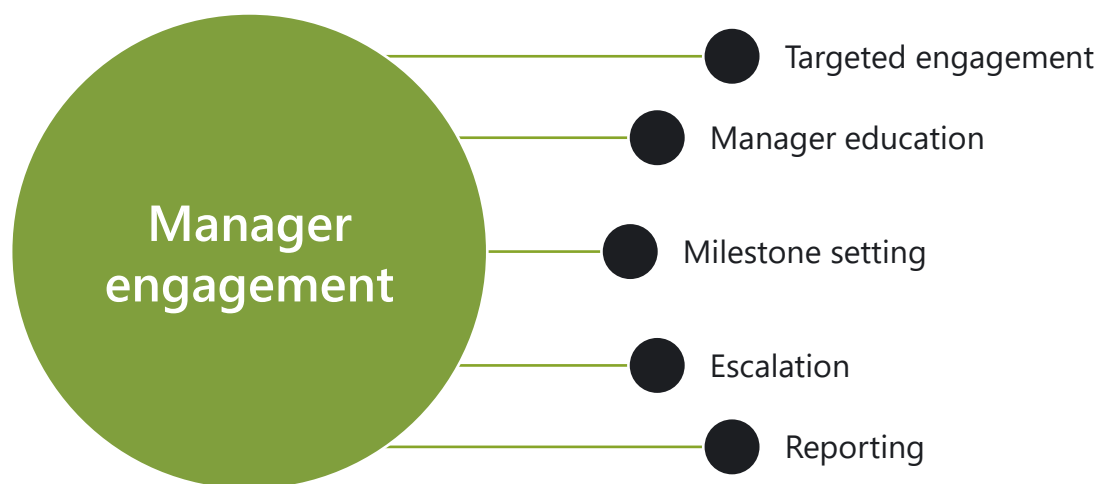
*SEI does not produce a sustainability strategy rating for asset classes for which we believe sustainable investing principles are not applicable, such as currency or commodity investing where futures are exclusively used.

Manager engagement

SIMC engages with asset management organisations at both the firm and strategy level with the goal of further developing industry best practices with respect to sustainable investing.

SIMC views manager engagement as being a two-way collaborative process. SIMC believes managers can benefit from SEI's knowledge as a global firm that interacts with many asset managers across different regions and asset classes as well as those of different sizes (from an AUM perspective). SIMC also benefits from these engagements as they can often provide additional colour on a manager's approach and philosophy to sustainable investing, and at times, SIMC have also taken feedback from managers on ways to enhance its own process and messaging and to update its views on a manager.

Figure 5: SIMC's manager engagement is structured as a five-stage process



Targeted engagement

SIMC's engagement is targeted at managers where it believes it can add the most value, but also where SIMC feels a manager is most likely to be receptive to engagement outreach efforts. In general, SIMC typically focuses deeper-dive engagement on managers who score poorly in their framework (typically 'Limited' or 'Weak' rated managers), where such managers are likely to have most influence (typically measured as SIEL client assets as a percentage of a firm or strategy's total assets under management) and on issues which are deemed to be most material to SEI's view of a manager's sustainable investing credentials (typically categories where a manager scores poorly in our firm or strategy assessment). At times, SIMC may initiate engagements with managers on a thematic topic (e.g., diversity, equity, and inclusion 'DEI') where candidates for engagement are identified through alternative means.

Manager education

For managers who are part of SIMC's formal engagement programme, a customised engagement report is typically produced. This leverages the underlying data that forms SIMC's firm and strategy sustainability rating frameworks. The engagement report is designed to provide insights to managers on how they score in an absolute sense in our sustainability rating framework, how they score relative to appropriate peers, and provide suggestions for enhancements that a manager may choose to explore making. In addition, as part of the education process, SIMC may share third-party survey data or other informational resources that highlight industrywide adoption of best practices to a manager it is engaging with.

Milestone setting

Once SIMC has agreed on an engagement ask, milestones are set out against which to assess manager progress. These are reviewed on an ongoing basis to ensure they remain appropriate given recent developments.

Escalation

For managers who do not meet SIMC's agreed-upon milestones, SIMC may choose to escalate concerns through actions such as private letters or removal of a strategy from recommended or reviewed list of sustainable investment providers. SIMC recognises, however, that escalation should be considered on a case-by-case basis, and that there may be some instances where SIMC may choose to cease engagement efforts with a manager on their sustainable investing practices rather than pursue more extreme forms of escalation.

Reporting

SIMC looks to report on engagement activities by providing granular information of engagements and case studies.

Over 2024, SIMC had 35 engagement interactions. SIMC defines an engagement interaction as an instance where SIMC either sends a formal letter and/or bespoke engagement report to a manager via email, where SIMC had a meeting dedicated to an engagement topic, or where in-depth information on a topic was provided to managers via email. An engagement interaction, therefore, does not include general email correspondence or an investment due diligence meeting where the focus of engagement may have only been briefly touched upon.

Figure 6: Breakdown of manager engagement activity over 2024

Engagement topic	Number of engagement interactions
Diversity, equity, and inclusion	3
Firm - Climate	22
Engagement Lite	1
Firm/Strategy - multiple*	9

*Firm/Strategy - Multiple consists of engagement meetings that have focused on multiple topics at a firm and strategy level. This includes topics such as ESG policy, ESG data usage, ESG resourcing, development of more robust sector materiality maps, and ESG reporting.

SIMC has found managers to be highly receptive to engagement efforts so far, and SIMC has often been used as a sounding board by managers to help them better understand sustainability best practices and evolving client needs and demands in this area.

CASE STUDY:

Exploring climate-related considerations through manager engagement

In 2024, we invited nine managers, who are leaders in incorporating climate considerations at both the corporate and investment levels, to discuss their strategic approaches to managing climate-related risks.

SEI's climate-related engagement focused on uncovering some of the different ways in which managers think about key areas related to climate-aware investing, such as data, use of scenario analysis, capital market assumptions (CMAs), biodiversity, stewardship, and climate-focused reporting. Managers involved in this engagement benefited from understanding SEI's perspective on best practices in these areas and increased awareness around how our clients across different regions prioritise these issues. SEI was able to benefit from a greater understanding of the evolving data landscape (e.g., new climate data providers) and how climate-related considerations are integrated into many managers' assessments of company fundamentals. We believe the broader insights from these engagements will support SEI's ability to offer more informed and tailored advice to clients on a wide range of climate-related issues.

Exclusion policy

Potential investments for the SEI UCITS Funds that are distributed by SIEL or used by SIEL in its portfolios are first selected in accordance with the investment objective and policies of the relevant SEI UCITS Fund, and then evaluated according to screens which aim to exclude investments:

- In securities issued by entities involved in the sale, production, research, or development of controversial weapons; and
- In securities issued by an entity that generates significant revenue from involvement in thermal coal exploration, mining, and production, as well as services that support thermal coal production.

The criteria for exclusions are reviewed periodically by SIMC. The definitions and guidelines on the nature and type of involvement subject to the screening criteria are set by SIMC in conjunction with its third-party screen provider and described in more detail in the relevant SEI UCITS Funds prospectus.

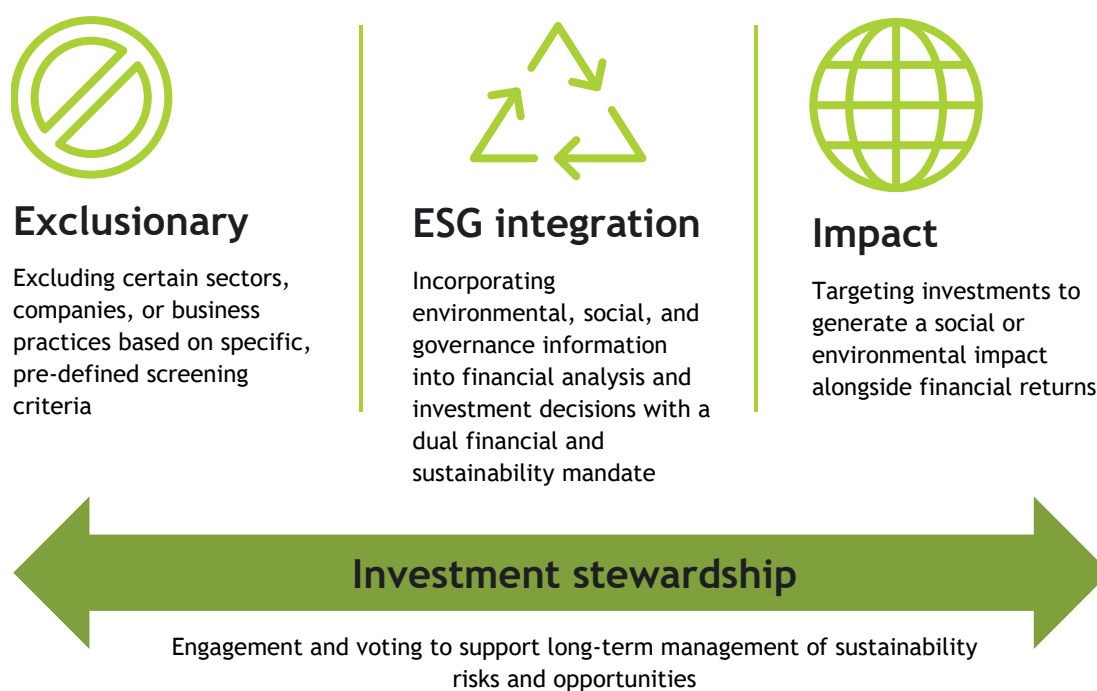
In addition, third-party funds that are included in some SIEL client portfolios through the provision of SIEL's Fiduciary Management Service or Model Portfolio, are reviewed at least annually by client strategy directors for their overall suitability, which includes clients' preferences concerning sustainability. Should a SIEL client wish to have a different exclusion policy to SIEL, this can be implemented on the client's behalf.

Sustainable investment products and solutions

At SEI, sustainable investment strategies are viewed along a spectrum that seeks to align investment objectives with social and environmental considerations. Below are some of the considerations for strategies involving exclusion, ESG integration, and impact. These considerations are used in conjunction with the knowledge of clients to construct and implement the most appropriate investment portfolio.

In 2024, 10 of SEI's UCITS Funds were officially classified as Article 8 under the Sustainable Finance Disclosure Regulation (SFDR). Throughout 2025, SEI plans on continuing to explore opportunities for additional funds to be classified as Article 8.

Figure 7: Spectrum of approaches to sustainable investing



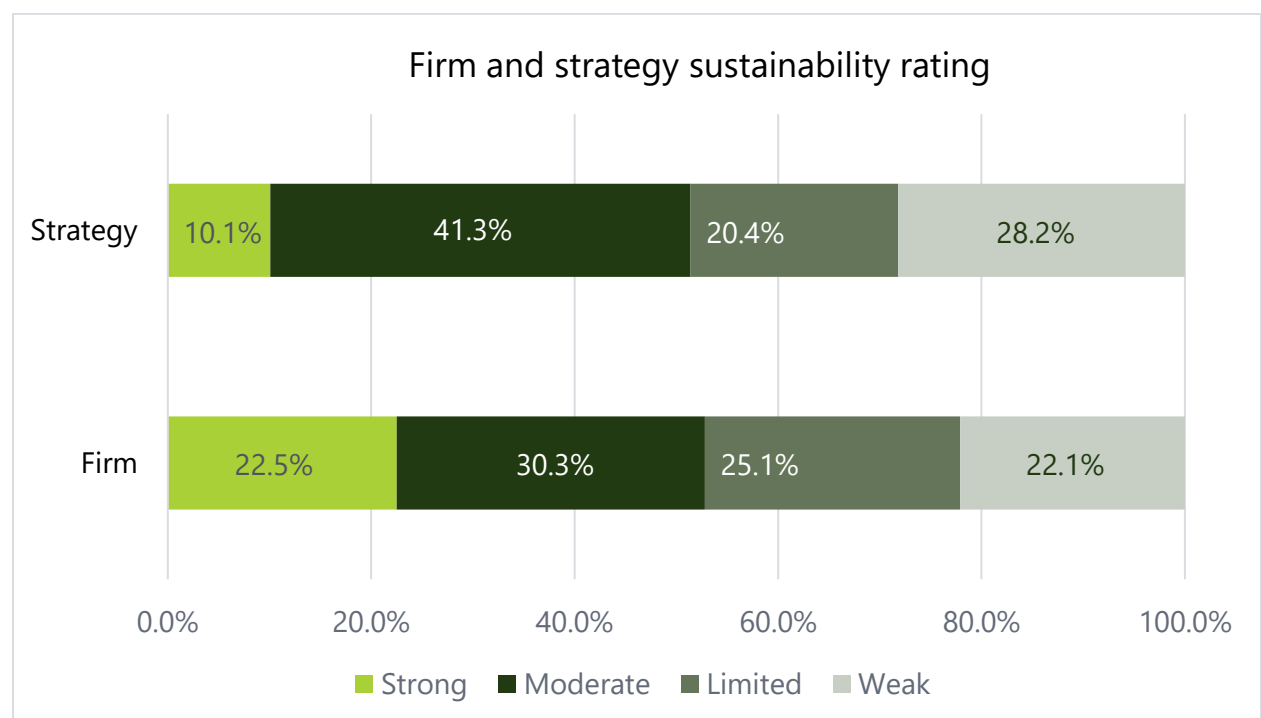
SIEL, through SIMC, also provides its Pension Scheme Clients and Financial Intermediary Clients with access to a range of solutions that promote sustainability characteristics or have sustainability objectives in segregated accounts and other investment vehicles. These strategies are subject to SIMC's manager research process, including sustainability due diligence and investment oversight practices. Solutions may include, but are not limited to:

- Custom sustainable investing strategies in segregated accounts; and
- Investment strategies (mutual funds and ETFs) that adhere to exclusionary criteria or ESG integration approaches.

Outcomes

As of the end of 2024, SIMC has evaluated more than 200 firms and more than 400 investment strategies using its proprietary sustainability due diligence process. SIMC believes its extensive understanding of how investment managers are incorporating sustainability into their investment and stewardship activities assists SIMC in selecting best-in-class managers that will meet the long-term financial and sustainability objectives of clients.

Figure 8: Firm and strategy sustainability rating



Source: SEI, Data as of 31 December 2024. The data reflects assessments completed during 2024.

CASE STUDY:

Upgraded manager rating

In SIMC's most recent review cycle, a large US asset manager whose asset base is primarily systematic equities focused, achieved an upgrade in our firm sustainability assessment from 'Moderate' to 'Strong'. During the period between our previous assessment (August 2022) and the most recent assessment (April 2024), the firm has made large strides in developing their sustainable investing capabilities. This includes developing well-thought-out Net Zero products and pathways, alongside leveraging artificial intelligence (AI) to build out proprietary United Nations Sustainable Development Goals mapping tools that define eligibility criteria for portfolios. The firm's approach to sustainable investing now exceeds that of the majority of systematic equity managers assessed by SEI. These advancements reflect a strong commitment to sustainable investing and were key factors in the upgrade of the managers' rating.

CASE STUDY:

Downgraded manager rating

In SIMC's most recent review cycle, a large US asset manager whose asset base is primarily equity focused, received a downgrade in our firm sustainability assessment from 'Strong' to 'Moderate'. During the period between our previous assessment (July 2022) and the most recent assessment (September 2024), SEI have observed a retrenchment in the firm's public leadership in this area and its support of sustainability-related shareholder proposals in recent times. Furthermore, the firm has considerably diluted its sustainable investing policy, evidencing a shift in the firms' commitment to sustainable investing and a decline in senior management buy-in. These changes collectively contributed to the downgrade in the managers' rating.

Design of client mandates

When devising an asset allocation for clients, SEI gives consideration to a wide range of client-specific factors, which include, but are not limited to, required investment returns, risk appetite, liquidity constraints, time horizon, fee budget, and sustainability considerations. Time horizon, in particular, can often play a pivotal role in the design of a mandate given it can meaningfully influence the mix of assets invested in by a client (i.e., for an investor with a short time horizon, it may not be appropriate to have a meaningful exposure to closed-ended private market vehicles) and also the tolerance of an investor to meaningful drawdown risk. SEI recognises that investment stewardship activities can play a key role over all time horizons in allowing clients and external managers to better understand the risks in their portfolio and to achieve their underlying sustainability objectives.

By bringing together a broad range of considerations in designing client mandates, SEI seeks to appoint managers for clients who we believe have a competitive advantage over their peers, and whom SEI believes can add value to client portfolios whilst best meeting the broader sustainability objectives of the client.

Principle 8

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

SIEL recognises that robust oversight of partners and delegated managers is essential to ensuring that assets are managed in accordance with its investment stewardship principles and strategic objectives. SIEL works closely with SIMC to ensure that SIMC's oversight activities reflect SIEL's expectations across stewardship, sustainability, and broader investment processes, as is further detailed below.

Activity: Oversight of partners

SIMC's sustainable investing partners, including those used in support of shareholder engagement and proxy voting activity, are subject to regular review by The SEI Group's vendor management programme, which is run by SEI Group Services in the US. SIMC as investment adviser to the SEI UCITS provides ongoing due diligence monitoring and engagement as it pertains to the funds, including sustainable investing.

If a vendor were to fail to meet SEI's expectations, SEI would seek to remediate the issue with the vendor directly. If the vendor continued to not meet expectations, SEI would consider alternative options, including both internal capabilities and alternative vendors, and possibly complete a search for a replacement vendor if deemed necessary. In 2024, SEI's shareholder engagement and proxy voting partners successfully met expectations, and so SEI did not escalate any issues related to delivery of services. The results of these effective engagement and proxy voting programmes are detailed throughout this report.

Activity: Oversight of managers

In addition to ongoing oversight of SEI's vendors' ability to support shareholder engagement and proxy voting in support of our stewardship and sustainable investing objectives, SIMC provides ongoing oversight of the investment managers selected to manage assets on behalf of clients.

SIMC's sustainability due diligence process, described in detail in Principle 7, provides a layer of oversight of SIMC's managers' stewardship activities and how they are contributing to our stewardship objectives. In addition to evaluating all firms and strategies prior to making an investment, ongoing monitoring evaluates these capabilities post-investment. Manager firms are re-evaluated at least every other year and each strategy is evaluated at least annually. Insights from these evaluations inform our manager engagement programme, also described in Principle 7.

For all investments made by both internal and external asset managers, a broad range of daily, monthly, quarterly, and other periodic monitoring is carried out by various SIMC teams and oversight committees, including the investment risk management team, to ensure that investment mandates are carried out properly. Potential issues are escalated appropriately, as described in the relevant policies and procedures.

Asset class risk mitigation

At the manager level, SIMC's investment approach focuses on manager selection rigour, diversification of manager investment styles, and continuous oversight.

SEI has over 120 investment professionals globally who research and review potential managers for the SEI Funds. The team focuses on the following criteria when assessing a manager:

- Firm
- Product
- People
- Philosophy
- Process
- Portfolio construction
- Performance
- ESG

Within the SEI Funds, specialist managers are hired using segregated mandates.

This approach to implementation allows SIMC to both manage risk by diversification of managers and their investment styles and to continuously monitor their positions. This is done via a suite of different technologies, with the ability in public markets to see into every manager's positions on a daily basis. Consequently, individual manager, asset class, and portfolio level risk can be monitored.

Manager positions are overseen by both a portfolio manager and SIMC's risk management team. The team maintains a system of checks and balances through risk budgeting to ensure that the portfolio managers have a clear view of the risk exposure of each sub-adviser and the overall applicable funds.

The use of segregated mandates not only provides a high degree of transparency but also allows SIMC to intervene and instruct trading in the portfolio to reduce risk exposures if required by either the portfolio manager or SIMC's risk management team.

Alternative investments

SIMC is evolving its alternatives programme to incorporate sustainability considerations in assessing potential private market investments in asset classes such as real estate and infrastructure, private equity, and hedge funds.

A key difference between the traditional SEI UCITS products and the SEI Alternative Funds is that, while the former invests through a manager-of-managers model and has direct control and ownership over underlying investments, the latter invests through a fund-of-funds model where there is less control over the underlying investments. Additionally, these asset classes continue to pose challenges related to the availability and quality of ESG data. SEI continues to evaluate emerging market ESG data sets to help overcome the data limitations commonly associated with alternative investments.

Table 7: SIMC manager oversight activities

Frequency	Activity	Notes
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Daily	• Relative value at risk • Portfolio fund benchmark relative exposure guidelines • VaR model integrity • Counterparty risk • Coverage	• Comparison of ex-ante forecasts with ex-post realisations • Measures the amount of capital in excess of notional OTC derivative exposures • Exposure to dealers from OTC derivative transactions
Weekly	• Tracking error • Manager contribution to risk	• Standard deviation of excess returns • Measures how active risk is allocated across the managers in a portfolio
Monthly	• Manager risk-adjusted return • Stress testing	

For the SEI Alternative Funds, SIMC utilises an increased due diligence process through SIMC's non-traditional markets operational due diligence team. The operational due diligence process functions independently from the investment due diligence process. The goal of the operational due diligence process is to evaluate whether a manager has the operational capabilities to execute the identified investment mandate. This review includes interviews with individuals responsible for trading, accounting, compliance, and reporting, which typically occur onsite with the manager's operations personnel.

Background/reference work may be done on the manager and/or its key individuals, depending on the circumstances.

Principle 9

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

Activity: Investment stewardship

As shareholders, our voice is meaningful to the companies in which we invest.

Investment stewardship is the practice of aligning proxy voting and shareholder engagement activities to support long-term management of sustainability risks and opportunities at the companies in which we invest.

In 2024, SIEL continued to engage the investment stewardship activities of SIMC, including engagement and proxy voting with respect to its Fiduciary Management Service and Model Portfolio Service as is reflected within SIEL's SRD II Policy. SEI's Global Director of Sustainable Investing Solutions oversees shareholder engagement efforts, and SEI's Head of Sustainable Research oversees manager engagement efforts, which is detailed in Principle 7.

SEI's chosen approach to shareholder engagement is intended to take advantage of scale across all of SEI's assets under management. It also leverages the expertise of specialist advisers, which SEI believes is appropriate in the context of SEI's manager-of-managers investment model, where research on investment managers, rather than investee companies, is conducted.

Shareholder engagement priorities

Since 2010, SEI has worked with third-party vendors to pursue shareholder engagement efforts with underlying companies that the SIEL client portfolios are invested in (either through the SEI Funds or directly through separately managed accounts). These vendors help investors manage risk and increase corporate accountability through their engagement efforts. Through our partners, we strive to help clients invested in SIEL client portfolios manage risk, increase corporate accountability, and prepare for new business opportunities. SIMC believes that both reactive and proactive professional and constructive engagement with companies should lead to a general improvement in standards with respect to sustainability risks.

In 2024, we expanded our engagement programme by adding a third type of engagement and updated our thematic focus areas. Our engagement efforts take a three-pronged approach to identify companies with which to engage:

- **Norms and standards:** Engagement with companies with severe or persistent violations and/or breaches of global norms and/or sustainability-related standards,

including environmental standards, human rights, labour rights, and ethical business conduct.

- **Thematic:** Engagement with companies potentially exposed to risks and/or opportunities associated with sustainability themes, such as climate change, biodiversity loss, or human rights. Thematic engagements aim to promote long-term thinking and preparedness to address these risks or capitalise on new business opportunities.
- **Material risks:** Engagement with companies facing unmanaged or poorly managed financially material sustainability risks.

Shareholder engagement objectives and tracking

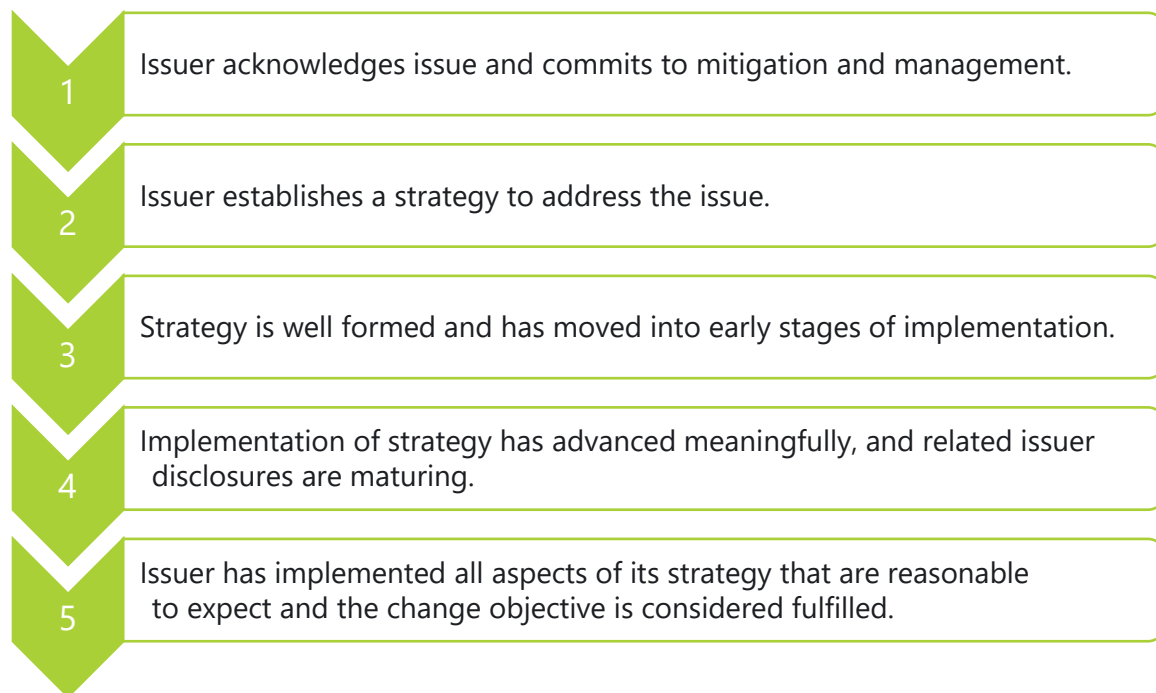
All company engagements are tracked by our engagement partners according to a set of clearly defined objectives, with progress reported at least twice per year.

Progress is tracked according to a series of milestones related to the company's commitment to address the issue that is the subject of engagement dialogue. Our quarterly client reporting summarises company-level progress towards engagement objectives and milestones that are provided to us by our engagement partners, and which is reviewed in detail by the SIMC Sustainable Investing team.

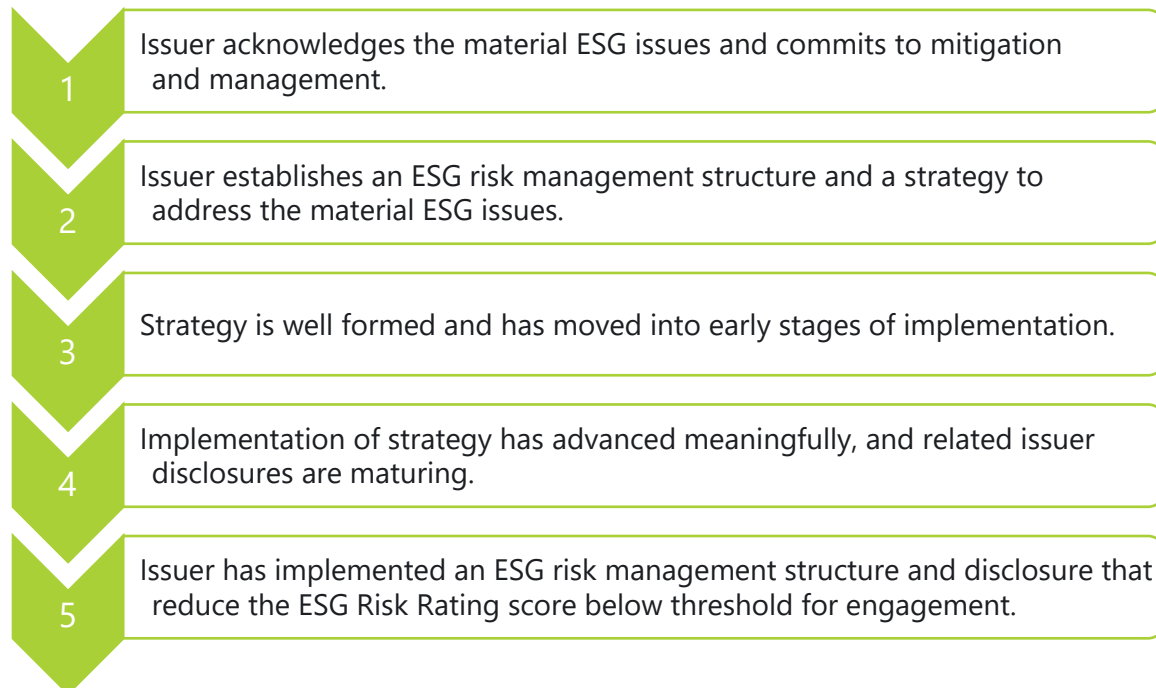
Norms and standards engagement milestones



Thematic engagement milestones



Material risk engagement milestones



Engagement activities conducted on our behalf include letters and emails, phone calls, conference calls, and in-person meetings. Companies that have been unresponsive to our engagement efforts or exhibited insufficient progress may be subject to escalation of our efforts through shareholder letters and/or votes against management on related topics.

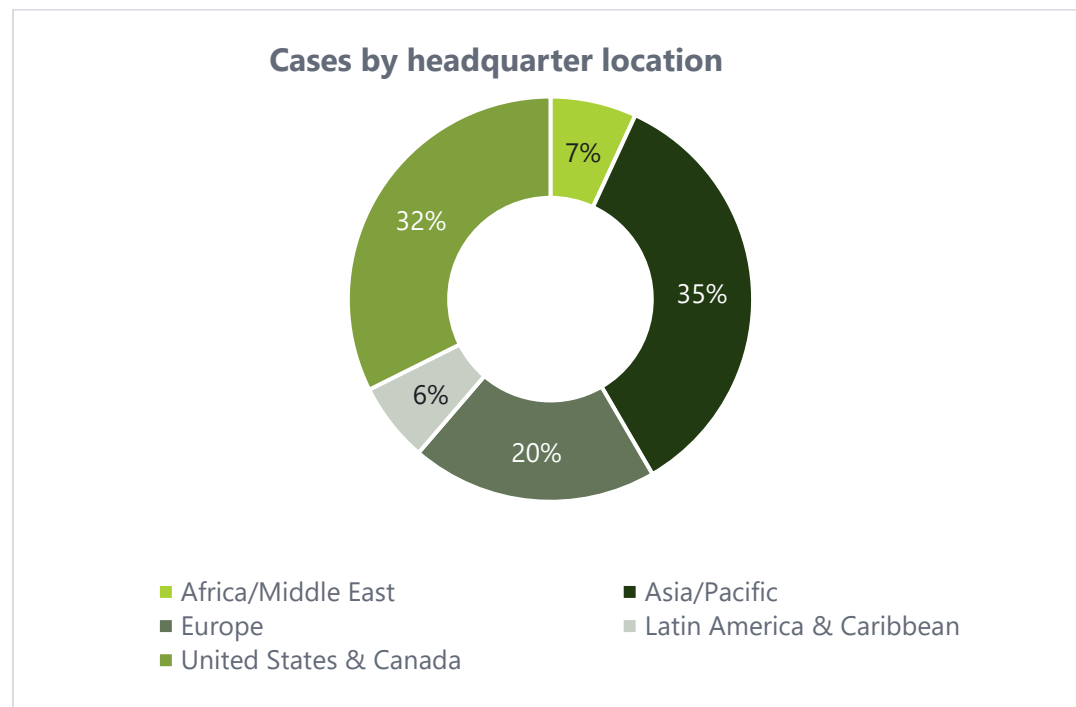
2024 shareholder engagement activity

Table 8 shows the scope and nature of our engagement efforts in 2024. SIMC's engagement efforts are primarily focused on public equities; however, many companies represented in our engagement efforts are also held in fixed-income strategies. We believe that these fixed-income funds also benefit from the positive progress that results from productive shareholder engagement.

Table 8: 2024 equity engagement summary

	Norms and standards	Thematic	Material Risk	Total
Number of engagement cases	159	292	371	822
Number of cases with standard or better progress	98	255	256	609
Percent of cases with standard or better progress	61%	87%	69%	74%

Figure 9: Engagement cases by geographic region

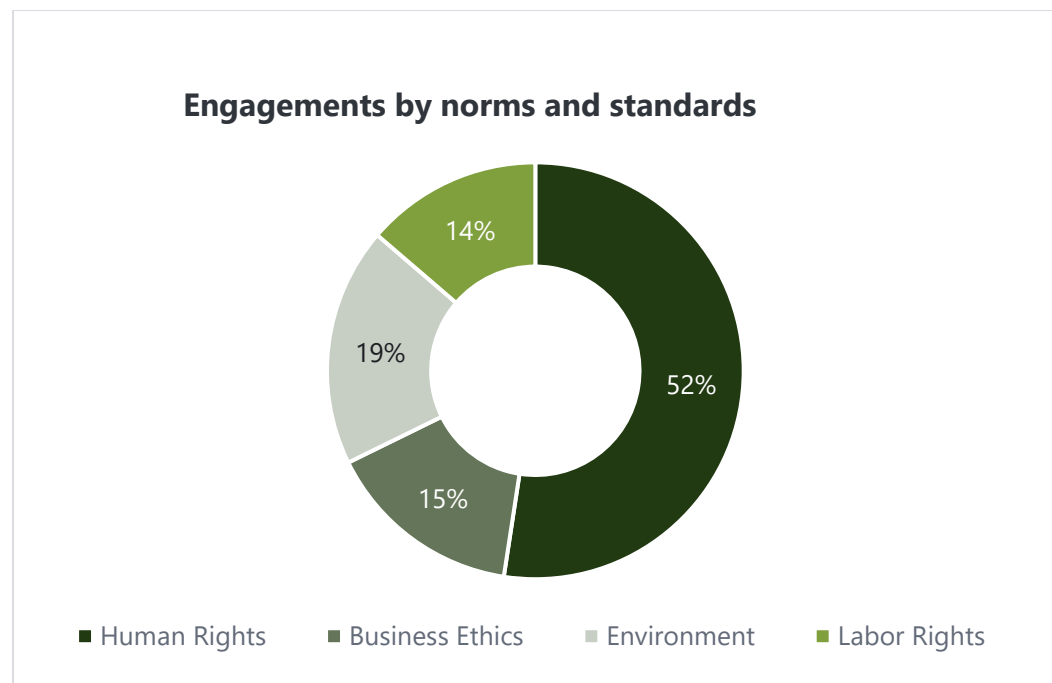


Source: Sustainalytics. Reflects all data as at 31 December 2024. Company totals may include companies not actively held in equity funds managed by SEI Investment Management Company, SEI Canada or SEI Investments Global Ltd during the period.

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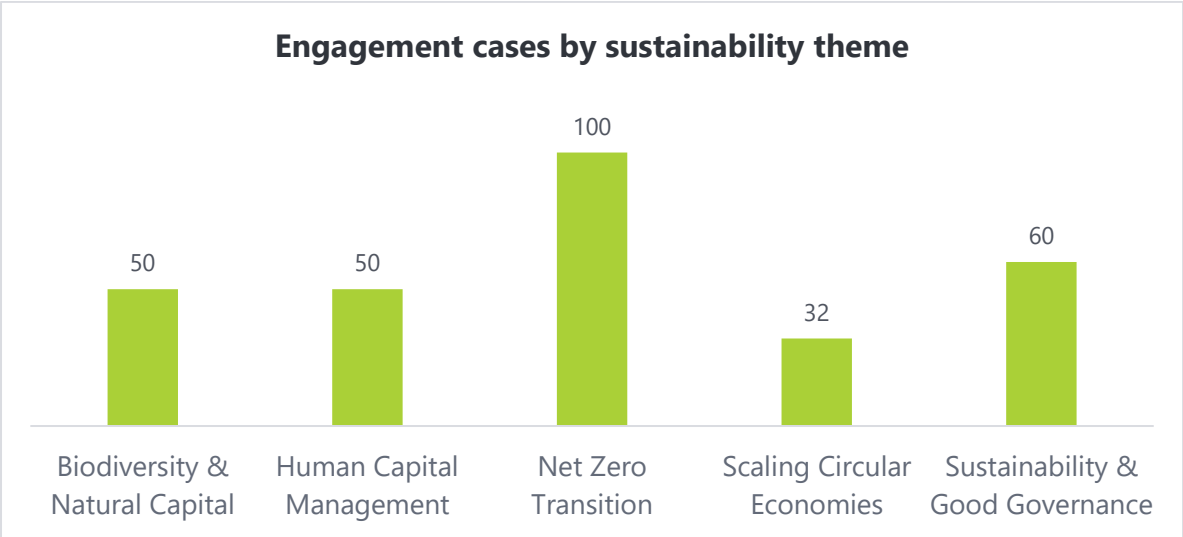
Figure 10: Norms and standards engagement cases by issue



Source: Sustainalytics. Reflects all data as at 31 December 2024. Company totals may include companies not actively held in equity funds managed by SEI Investment Management Company, SEI Canada or SEI Investments Global Ltd during the period.

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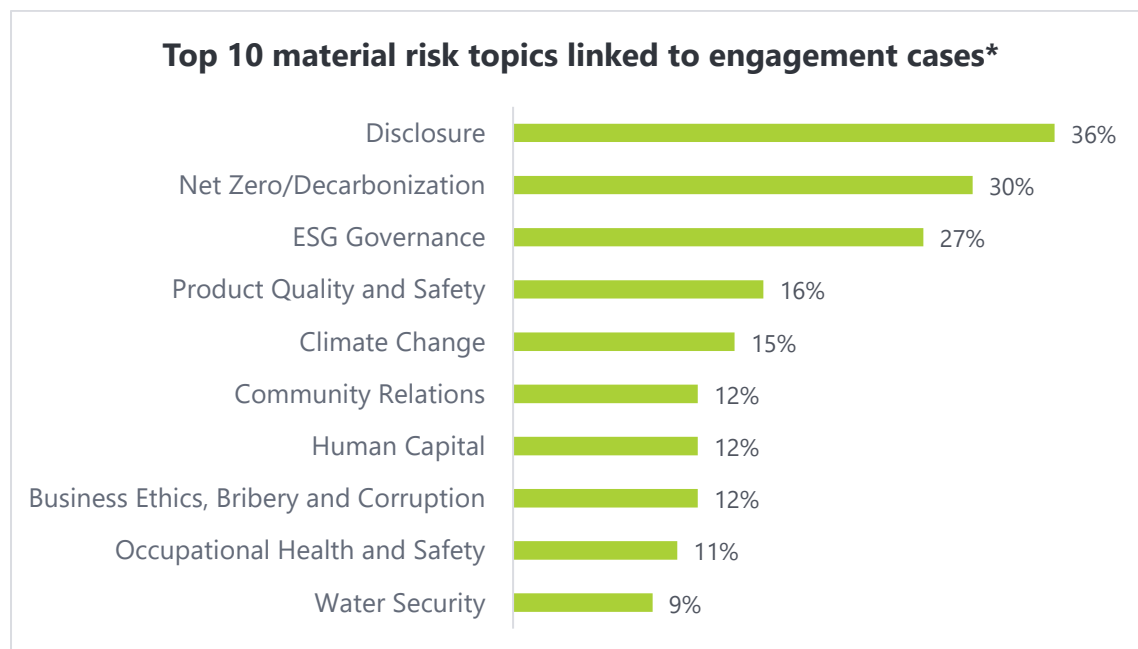
Figure 11: Thematic engagement cases by theme



Source: Sustainalytics. Reflects all data as at 31 December 2024. Company totals may include companies not actively held in equity funds managed by SEI Investment Management Company, SEI Canada or SEI Investments Global Ltd during the period.

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Figure 12: Material risk topics linked to engagement cases



*A case in the material risk programme can be engaged on multiple risk topics. Source: Sustainalytics. Reflects all data as at 31 December 2024. Company totals may include companies not actively held in equity funds managed by SEI Investment Management Company, SEI Canada or SEI Investments Global Ltd during the period.

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Outcomes

Out of 822 engagement cases ongoing in 2024, 609 (74%) had standard or better progress as measured by Sustainalytics engagement managers.

Below, we provide several case studies that represent a range of issues, geographies, and sectors, as well as both successful and unsuccessful engagements. More details of our escalation efforts can be found in Principle 11. More details of our proxy voting activity can be found in Principle 12.

CASE STUDY:

Mexican mining company

Engagement programme: Norms and standards – labour rights

Objective: Improve its labour practices in accordance with international standards and demonstrate how it is meeting these obligations by improving its external disclosure on the implementation of the measures and their effectiveness.

Activity: Sustainalytics' engagement efforts began in 2020 focusing on labour issues and freedom of association, specifically how the company ensures that employees are communicated with effectively, and fairly. The engagement also focused on how the company engages with unions and how employee grievances are addressed to prevent abuses of rights and minimise disruptions from industrial action. In calls with Sustainalytics, the company confirmed that it has maintained a working relationship with unions and that it does not foresee any labour issues currently. Sustainalytics reports that the company has demonstrated a significantly more productive relationship with labour unions than previously and has avoided further controversies and strikes throughout 2021 and 2022.

Outcome: The company has achieved above industry standard workforce satisfaction and is maintaining an industry average turnover rate. The company is now fully ISO14000 and ISO 45000 certified, which focus on environmental management and occupational health and safety. The case was resolved in 2024.

CASE STUDY:

German chemical company

Engagement programme: Material risk – emissions, effluents and waste

Objective: Provide investors with consistent ESG disclosures and robust performance management across all material ESG issues. Additionally, the company should disclose a comprehensive climate transition plan with a clear decarbonization roadmap

Activity: Sustainalytics' engagement efforts began in 2020, beginning with an introductory call that explored the company's environmental management, GHG emissions, environmental impact of fertilisers, and community relations. Over four years of engagement, Sustainalytics held six conference calls with the company. Sustainalytics reports that the company has linked its ESG performance metrics to executive pay in 2023 and updated and increased the ambition of its interim 2030 and 2040 emissions reduction targets, aiming for climate neutrality by 2045 in alignment with Germany's net zero commitment.

Outcome: The company provided reasonable insights into its net zero strategy, reduction trajectory, and key decarbonization levers. It also published a Negative Declaration Hazardous Waste document outlining its waste management approach and monitoring via environmental data management software. Sustainalytics reports that the company is progressing steadily in the execution and implementation phase of its climate and broader sustainability strategy, delivering measurable outcomes and enhanced disclosures aligned with established reporting standards. The case was resolved in 2024.

CASE STUDY:

South Korean real estate company

Engagement programme: Norms and standards – Human rights

Objective: The company should demonstrate the implementation of a robust health and safety management system operating to international best practice standards, including contractor management.

Activity: Sustainalytics' engagement efforts over the past two years include 17 emails and a formal letter to the company inviting them to engage in a dialogue.

Outcome: Attempts to contact the company to date have been unsuccessful. Escalation procedures began with issuing a formal letter to the organization. Since the company has not responded to the initial letter, a collaborative investor letter plans to be sent in 2025, to express investor interest in pursuing the dialogue with the company.

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Principle 10

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

Collaborative engagement is undertaken at the SEI Group level, enabling SIEL to harness SEI's broader market presence through shared resources and unified action. This approach ultimately strengthens SIEL's ability to address stewardship issues and concerns.

Activity: Industry collaboration

In addition to internal resources to support implementation of sustainable investing in a way that supports our clients' needs and aligns with SEI's fiduciary duty, SEI leverages external resources through industry engagement to better understand and prepare for evolving best practices and new regulations, as well as to support our external communications. SEI is a member of industry organizations that support these objectives, such as the Investment Company Institute and Irish Funds.

As mentioned in Principle 4, SEI seeks to be an active participant in industry dialogue related to sustainable investing. SEI is a signatory to the PRI and SEI also encourages its sub-advisers to become a signatory to the PRI.

SEI also participates in more topical organizations. In 2024, various entities in the SEI Group participated in and/or were signatories to a range of industry organizations, including but not limited to:

- The Investment Consultants Sustainability Working Group (UK and US)
- Institutional Investors Diversity Cooperative
- Canadian Investor Statement on Diversity and Inclusion
- The Responsible Investment Association of Canada

SEI previously participated in Climate Action 100+, a global investor initiative focused on mitigating climate risks with the world's top emitters. While SEI is no longer a formal member, the initiative helped shape its approach to stewardship. SEI continues to engage with many companies identified by Climate Action 100+ as facing significant climate-related risks, leveraging its third-party engagement provider, Sustainalytics. In 2024, Sustainalytics, on behalf of SEI, engaged with 73 companies that participate in Climate Action 100+. Through this approach, SEI maintains its commitment to working with others in a manner that supports long-term value creation and responsible investment.

SEI's approach to collaborative shareholder engagement is discussed in more detail in Principle 9.

Outcomes

We believe that our industry collaborations contribute both to the continued evolution of our sustainability and stewardship programme at SEI, and also to enhancements in industry best practices and the ability of our industry to drive progress on sustainability risks and opportunities across the economy.

Climate-related outcomes

A number of companies that we engaged with via Sustainalytics achieved progress towards climate-related outcomes such as receiving validation from the Science Based Targets initiative for net-zero commitments, developing supply chain emission strategies, or executive remuneration plans that incorporate climate change objectives.

CASE STUDY:

Canadian oil company

Sustainalytics has engaged with a Canadian oil company that is also included on the Climate Action 100+ list, though the company was selected for engagement based on Sustainalytics' independent assessment. The company is advancing its ability to offer lower lifecycle emission products, including renewable diesel, biofuels, and sustainable aviation fuels. In 2023, it announced plans to build what will be Canada's largest renewable diesel facility, expected to begin production in mid-2025. Using locally sourced agricultural feedstocks, the facility will produce over 1 billion litres annually, with potential to expand into sustainable aviation fuel to help reduce emissions in the aviation sector.

It is also exploring lithium extraction from brine, aiming to support a domestic supply chain for EV battery materials. During a recent engagement, the company outlined how it is aligning its strategy with various climate transition scenarios, including those from its majority owner and international energy outlooks. It is stress-testing its business to remain flexible between traditional and low-carbon product pathways.

Looking ahead, it is encouraged to improve disclosure on climate-related risks and opportunities across different time horizons, and to assess the resilience of its transition strategy under multiple climate scenarios.

Source: Sustainalytics, 2024

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CASE STUDY:

European utilities company

Sustainalytics has engaged with a large European utilities company that is also included on the Climate Action 100+ list, though the company was selected for engagement based on Sustainalytics' independent assessment. The European energy provider is targeting carbon neutrality across Scopes 1, 2, and 3 by 2030, with plans to phase out coal-based energy production by 2027. Currently, around 98% of its electricity generation is renewable, and it has committed to net zero emissions across its European operations by 2035. In early 2024, the company introduced a green finance framework to align its funding strategy with its sustainability goals.

While it is considered a leader in its sector's net zero transition, challenges remain in reducing indirect emissions, particularly from district heating in its home market and energy production in other regions where its operational control is limited. Addressing these emissions will require collaboration across the value chain. Additionally, further clarity on how the green finance framework will be implemented is needed to fully leverage its potential in supporting the company's climate strategy.

By continuing to focus on indirect emissions and integrating sustainable finance, the company is well-positioned to strengthen its climate transition efforts.

Source: Sustainalytics, 2024

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Investment Consultants Sustainability Working Group

During 2024, we continued to be actively engaged in both the UK and US Investment Consulting Sustainability Working Group (ICSWG), serving as active members of both steering committees and participating in quarterly discussions about industry trends and developments. SIEL representatives served on the UK group's Stewardship subcommittee.

Institutional Investing Diversity Cooperative

During 2024, we continued to be actively engaged in the Institutional Investing Diversity Cooperative (IIDC), of which we are a founding member. The IIDC seeks to enhance representation and inclusion in the asset management industry. In 2024, the group continued to advocate for enhanced industry diversity data and worked with groups like eVestment, the Institutional Limited Partners Association (ILPA), and the Investment Diversity Advisory Council (IDAC) Foundation to support a more unified and holistic diversity disclosure framework for the industry.

Principle 11

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

Escalation is a critical component of an effective engagement framework, serving to promote accountability and drive sustainable outcomes when concerns are not adequately addressed. SIMC undertakes escalation activities on behalf of SIEL, applying a structured approach to engagement where necessary, to ensure alignment with SIEL's stewardship objectives. SEI utilises third-party vendors for its investment stewardship activities, which includes both shareholder engagement and proxy voting activities.

The SIMC Sustainable Investing team has conducted discussions with engagement and proxy voting partners as a part of a due diligence process to understand how third-party vendors escalate various engagement issues with companies. Shareholder engagement activities and progress feed into proxy recommendations by third-party engagement partners, for review within SIMC, to identify when vote recommendations from SIMC's proxy voting service provider may conflict with SEI's shareholder engagement activities.

SIMC's engagement service providers will, at times, provide SIMC a voting recommendation with respect to a proxy matter that conflicts with the recommendation under SIMC's proxy voting guidelines. If the proxy matter relates to a topic for which engagement activities are being conducted with that issuer on behalf of SIMC, the Proxy Committee convenes to consider the recommendation. The committee may follow the recommendation of the engagement service provider and overrule the recommendation under SIMC's guidelines if the committee reasonably determines that doing so is in the best interests of SIMC's clients. More details on SIMC's Proxy Voting Policy are available on our website.

In 2024 the Sustainable Investing Solutions team built out an internal escalation procedure for its corporate engagement and manager engagement programmes. These frameworks build on SEI's view that our voice is meaningful to the companies we own. Therefore, our escalation frameworks focus on positive and constructive dialogue rather than divestment. These frameworks will be rolled out in 2025.

CASE STUDY:

US fast food company

In 2015, Sustainalytics began engaging with an American fast-food company through their global standards programme regarding labour rights issues pertaining to their franchisees. Over the course of engagement, the company's response to Sustainalytics has been slow and passive. The company has maintained the position that their franchisees are separate entities and do not consider themselves to have any liability for labour rights at franchisees.

SEI escalated the engagement efforts in May 2024 by signing onto an investor letter urging the company to re-engage with Sustainalytics and explain how the company is managing certain risks.

Since receiving the investor letter, the company has not provided a substantial response to requests to re-engage. Due to a lack of engagement and willingness to respond, Sustainalytics made the decision to disengage with the company. SEI may look to utilise its new internal escalation framework for this company in 2025.

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Principle 12

Signatories actively exercise their rights and responsibilities.

SIMC exercises shareholder rights and stewardship responsibilities on behalf of SIEL and in accordance with SIEL's strategic objectives and regulatory commitments. Operating within a manager-of-managers framework, SIMC implements engagement and voting activities across equity funds and segregated mandates globally as is detailed within SIEL's SRD II Policy.

Activity: Proxy voting

As set out in Principle 3, SIMC maintains a Proxy Voting Committee (comprising representatives of SIMC's IMU and Compliance personnel). SIMC's Proxy Voting Committee provides oversight of SIMC's Proxy Voting Policy and activities and meets as necessary to perform its oversight function.

SIMC has elected to retain a third-party service—Glass Lewis—to vote proxies on behalf of its clients globally. Glass Lewis receives ballots directly from our custodians, monitors voting rights, and conducts proxy research. Glass Lewis monitors voting rights associated with our shares and submits voting instructions in accordance with guidelines approved by SIMC's Proxy Voting Committee, with certain limited exceptions as outlined in SIMC's Proxy Voting Policy.

SIMC conducts annual due diligence meetings with Glass Lewis as discussed in Principle 8 and provides quarterly reporting that covers topics such as whether or not all eligible meetings and shares have been voted and whether or not votes have been cast in compliance with the guidelines. A description of SIMC's Proxy Voting Policy is available via our website.

Proxy guidelines

Most SEI Funds follow the 'Glass Lewis Benchmark Policy Guidelines', which evaluate each company on a case-by-case basis and seek to vote in favour of governance structures that support long-term shareholder value.

Process for considering alternative vote recommendations

As described in Principle 3, SEI's engagement service providers will, at times, provide proxy voting recommendations that may conflict with the guidelines, for example, in the case of a shareholder proposal related to engagement activity or as an escalation tactic when engagement has been unsuccessful. In such circumstances, SIMC's Proxy Committee will convene to consider the recommendation, in accordance with the Conflict of Interest policy set forth in SIMC's Proxy Voting Policy. For any proposal for which SIMC's Proxy Committee determines that SIMC does not have a material conflict of interest, SIMC's Proxy Committee may follow the recommendation of the engagement service provider instead of the service's

recommendation if SIMC's Proxy Committee reasonably determines that doing so is in the best interests of SIMC's clients.

If SIMC's Proxy Committee determines that SIMC has a material conflict, SIMC may instruct the service to vote in accordance with the default guidelines or will fully disclose the nature of the conflict to each client holding the security and obtain the client's consent before voting against the guidelines. In 2024, SIMC's Proxy Committee did not encounter any such conflicts of interest.

2024 SIMC Proxy Committee activity

The SIMC Proxy Committee follows established procedures for consideration of supplemental proxy research from its engagement partners, focusing on those proposals directly related to SIMC and its engagement partner's stated engagement objectives. During 2024, SIMC's Proxy Committee found that most of the recommendations from its engagement partners were aligned with the proxy guidelines previously adopted by SIMC's Proxy Committee and did not require further consideration. SIMC's Proxy Committee met several times to discuss recommendations from engagement partners that differed from the adopted proxy guidelines and were directly related to company engagement objectives. In one case, SIMC's Proxy Committee proceeded with recommendations from the engagement service provider, resulting in approval by SIMC's Proxy Committee choosing to abstain from a vote on management. This vote escalation was due to unresponsive engagement by the engagement vendor, and we accompanied our vote decision with a letter to the Board of Directors explaining our rationale and inviting them to re-engage.

Activity: Exercising rights and responsibilities in fixed income

SEI's fixed-income portfolios are managed by sub-advisers, who are responsible for analysis of potential investments for our portfolios. SEI's strategy sustainability evaluations, described in Principle 7, consider stewardship as a key pillar of our assessment of how well a manager is integrating sustainability into the investment process.

Because of our manager-of-manager structure, our sub-advisers are best positioned to exercise their rights and responsibilities in fixed income on our behalf. They may seek to amend terms and conditions of indentures and contracts for fixed-income investments when they believe it is beneficial to end investors to do so. For example, they may do so in advance of primary issuance or restructurings when an adjustment of terms will improve bondholder rights or investment yields. We often discuss these activities with sub-advisers, but do not systematically track them.

In general, we see a sub-adviser's ability to influence terms and conditions as a function of the manager's size, the issuer's need for funding, the market environment, and the asset class. We typically see issuers more responsive to such requests from large managers with significant scale, for issuers with historically limited access to capital, and in emerging markets.

In 2025, SIMC plans to explore opportunities to enhance fixed-income stewardship efforts.

Outcomes

In 2024, SEI voted on 85,493 proposals at 8,411 company meetings. This represented 100% of the meetings on which we were eligible to vote.

The following tables summarise SEI's voting activity by how votes were cast and how votes were cast versus management recommendations. Please see the case studies in Principles 9 and 10 for examples of how shareholder engagement activities have influenced voting decisions.

Table 9: 2024 proxy voting summary

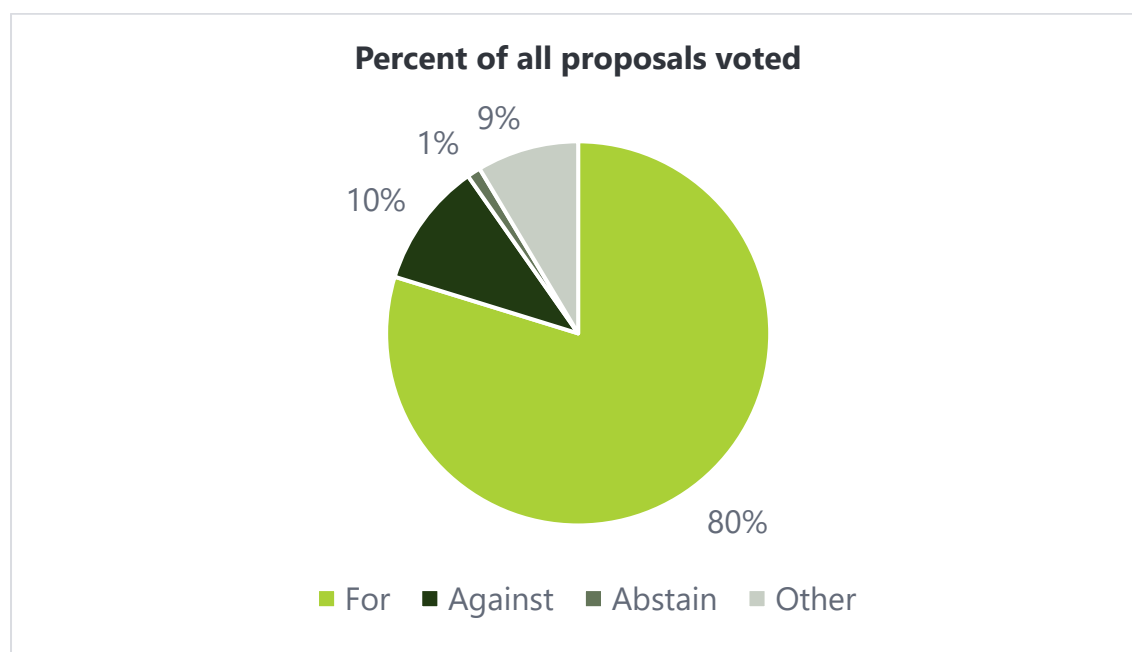
Number of company meetings voted	8,411
Number of company meetings unvoted*	0
Number of proposals voted	85,493
Number of votes against policy **	0

*Unvoted refers to meetings and proposals unvoted without a valid reason noted.

**Votes against policy refers to votes against policy without a valid explanation noted.

Source: Glass Lewis, Data as of December 31, 2024

Figure 13: 2024 proxy voting summary – all proposals

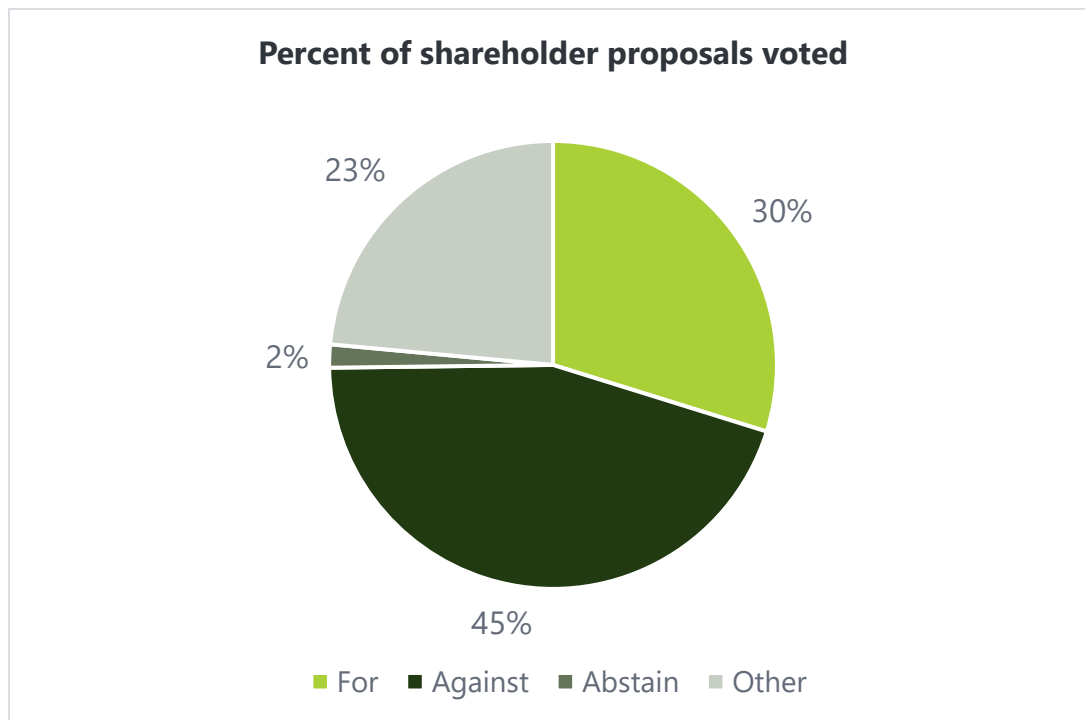


Source: Glass Lewis, Data as of December 31, 2024

*Other includes Take No Action, Unvoted, and Mixed. Mixed votes typically reflect a proposal where funds or accounts under different voting guidelines, such as the Glass Lewis ESG Policy or Catholic Policy, voted differently.

Data includes equity funds managed by SEI Investment Management Company, SEI Canada, and SEI Investments Global Ltd.

Figure 14: 2024 proxy voting summary – shareholder proposals

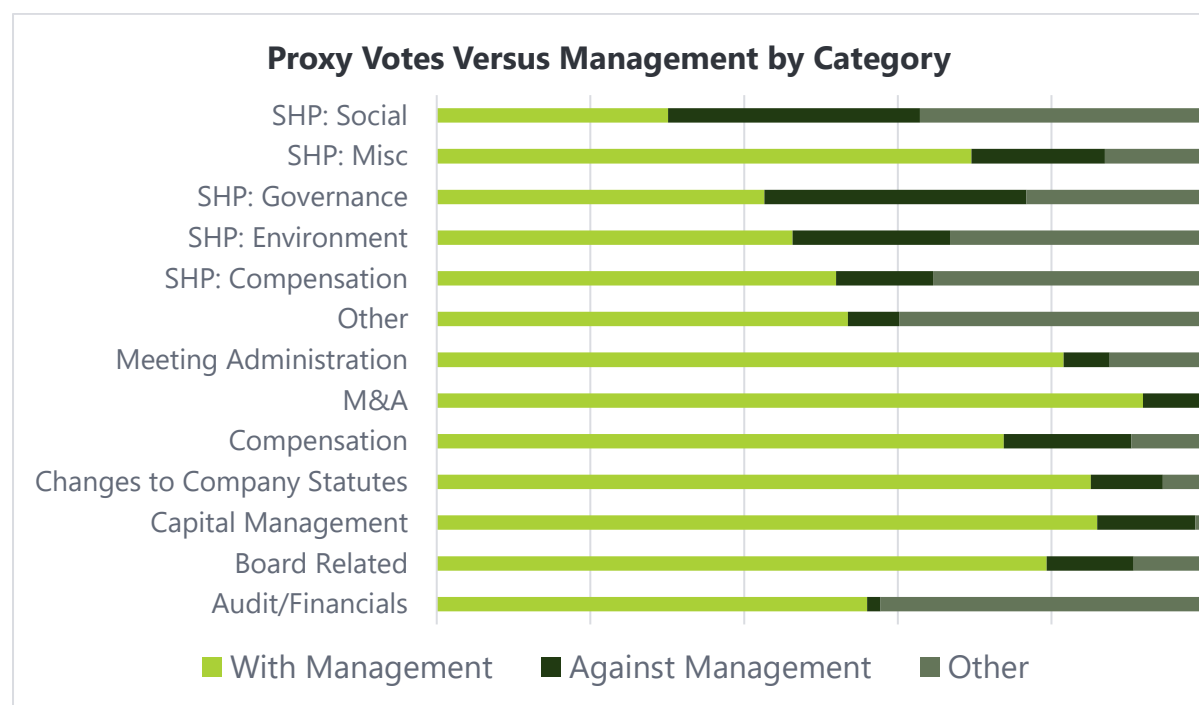


Source: Glass Lewis, data as at 31 December 2024.

*Other includes Take No Action, Unvoted, and Mixed. Mixed votes typically reflect a proposal where funds or accounts under different voting guidelines, such as the Glass Lewis ESG Policy or Catholic Policy, voted differently.

Data includes equity funds managed by SEI Investment Management Company, SEI Canada, and SEI Investments Global Ltd.

Figure 15: Proxy votes versus management by category



Source: Glass Lewis, data as of December 31, 2024.

Data includes equity funds managed by SEI Investment Management Company, SEI Canada, and SEI Investments Global Ltd.

*Other includes Take No Action, Unvoted, and Mixed. Mixed votes typically reflect a proposal where funds or accounts under different voting guidelines, such as the Glass Lewis ESG Policy or Catholic Policy, voted differently.

CASE STUDY:

US retail company

In 2024, shareholders proposed that a US retailer prepare a report disclosing how the company is addressing the impact of its climate change strategy on relevant stakeholders, including but not limited to employees, workers in its supply chain, and communities in which it operates. The company did not support the shareholder resolution, stating that the company's currently invests in its communities and supports a just clean energy transition. SEI voted in favour of the proposal, based on our proxy adviser's recommendation, as they believe that the report would allow the company's shareholders and stakeholders to more fully understand the company's considerations with respect to the future of its workforce.

The proposal failed and was not adopted in 2024. SEI will continue to monitor the topic for this company and is likely to support future resolutions requesting a report related to a just transition.

Source: Glass Lewis, 2024.

CASE STUDY:

US beverage company

In 2024, shareholders of a US beverage company requested a third-party audit be performed and published that assesses and produces recommendations for improving the racial impacts of its policies, practices, products, and services, above and beyond legal and regulatory matters. The company did not support the shareholder resolution stating it has engaged an independent third party to assess its policies and practices across the pillars of representation, compensation, workplace culture, business practices, and contributions and investments as it relates to the Black and Hispanic cohorts. SEI voted in favour of the proposal, based on our proxy adviser's recommendation, as they believe that the production of the requested disclosure could better allow shareholders to understand how the company was identifying and mitigating potentially significant risks.

The proposal failed and was not adopted in 2024. SEI will continue to monitor the topic for this company.

Source: Glass Lewis, 2024.

CASE STUDY:

US food company

In 2024, shareholders of a US food company requested that the company disclose its Scope 1 and 2 greenhouse gas (GHG) emissions as well as its short-, medium- and long-term emissions reduction goals. The company did not support this resolution, stating that any GHG emissions disclosures would be premature at this time until further amendments, challenges, and/or implementing regulations are finalised under California's Climate Corporate Data Accountability Act. SEI voted in favour of the proposal, based on our proxy adviser's recommendation, as they believe the proposal could help the company mitigate potentially material regulatory risks.

The proposal passed with majority support and after the vote, the company disclosed its 2023 Scope 1 and 2 GHG emissions, publishing them on its investor website and citing the shareholder mandate as the catalyst.

Source: Glass Lewis, 2024.

IMPORTANT INFORMATION

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