

Responsible Investment Policy

Marketing communication.

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We offer a comprehensive suite of investment solutions* and formats that can be tailored and optimised to meet specific client needs including separate and managed accounts, advisory mandates, UCITS, AIFs and other regional variants. Our investment strategy solutions* offer optionality including liquidity, control, investment restrictions, investor customisation and transparency.

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As a signatory of the United Nations Principles for Responsible Investment ('UN PRI') since September 2017, Man Group (and by extension Man AHL) is committed to applying Responsible Investment ('RI') principles to its investment and ownership decisions, as well as assisting clients achieve their RI objectives. In addition, Man AHL promotes ongoing research and learning around the methods and application of environmental, social and governance ('ESG') factors in investment management in general, and systematic quantitative strategies in particular.

Approach

Man AHL's RI policy fits into Man Group's overall RI framework, which takes a diversified approach across its investment engines, recognising the importance of implementing RI across all asset classes and strategies in the way that is most relevant to their fields of research. In addition, several key aspects of this policy – including exclusion lists and stewardship – are centralised under Man Group's broader RI framework as governed by its RI Committee, providing Man AHL with the unique benefit of being part of a broader, diversified investment platform.

Man AHL is therefore supported by Man Group's RI Committee, and Stewardship committee, both of which oversee the implementation of all RI policies and processes, as well as the firm's stewardship capabilities, across Man Group's investment engines. The RI Committee is composed of senior representatives from across Man Group's businesses, including Man AHL, providing a broader perspective across asset classes and investment strategies.

Research and investment process

Exclusions

Man Group has a firm-wide mandatory exclusion policy that is applicable across the firm and a more expansive RI Exclusion List that is voluntary and applied to funds that have a defined ESG approach. Man AHL adheres to these policies.

- **Global Banned Weapons** – Companies associated with the production of cluster bombs, landmines, anti-personnel mines, biological weapons, chemical weapons, blinding laser weapons, and non-detectable fragments. The Global Banned Weapons list is aligned with certain UN conventions and treaties which include: The Ottawa Treaty (1997), Convention on Cluster Munitions (2008), The Chemical Weapons Convention (1997), The protocol on Blinding Laser Weapons to the Convention on Certain Conventional Weapons (1995), and The protocol on Non-Detectable Fragments to the Convention on Certain Conventional Weapons (1980)

Man Group's RI Exclusion List is a more stringent policy and is applied to Man AHL single issuers traded. This expansive restriction list reflects international norms and

conventions—effectively, global consensus—supporting the exclusion of three additional areas from strategies that have a further degree of ESG commitment; Those areas are:

- **Nuclear Weapons** – Companies materially involved in the manufacture of Nuclear Weapons or depleted uranium - The Treaty on the Non-Proliferation of Nuclear Weapons (1968) which limits the spread of nuclear weapons to the group of so-called Nuclear-Weapons States (USA, Russia, UK, France and China)
- **Tobacco** – Companies involved in the production of tobacco - The World Health Organization (WHO) Framework Convention (2003) on Tobacco Control with 181 parties commits to implementing a broad range of tobacco control measures
- **Coal Mining & Power Generation** – Companies where the production of coal or provision of coal-based energy represents more than 30% of revenues, with the exception of companies that generate less than 40% revenue from the production of coal or provision of coal-based energy that are on track to reach their 2025 target CO2 emissions reduction in alignment with the Paris Climate agreement

Integration

In addition to implementing a strict Exclusion List across its single asset holdings, Man AHL aims to integrate ESG factors in its research and investment process as much as possible, for instance by examining established or novel datasets through an ESG lens. While a large part of a systematic macro manager’s investment universe is derivatives, such as futures and forwards, Man AHL continues to look at innovative ways to apply ESG principles to areas where they have traditionally been ignored. For example, Man AHL began trading ESG equity index futures in its strategies in 2021, alongside continuing research on ESG scoring frameworks as well as enhanced analytics and reporting.

Climate

Man AHL seeks to address climate change using environmental data embedded in its quantitative research process. From a data standpoint, Man AHL analyses environmental and climate data sets to identify those securities most closely aligned with the transition to a low carbon economy. From a research standpoint, Man AHL considers all asset classes when developing climate-dedicated solutions, including a number of asset classes that have traditionally received less focus, such as commodities and government bonds.

Client engagement

Not all solutions may be suitable in all jurisdictions or for all RI viewpoints. Man AHL seeks to actively engage with its clients to understand their requirements, working in partnership to offer products which are suitable to both their investment requirements and their ESG preferences. To that end, Man AHL does consider scoring frameworks, exclusions or restrictions in bespoke mandates of an appropriate size and will work with clients to find a solution suitable for their requirements.

Transparency and reporting

Man AHL uses Man Group’s internal ESG Analytics Tool to assist with reporting of non-financial risks and analyse ESG factors on both a single-stock basis and across broader macro assets, such as government bonds and equity index futures. Man AHL works with clients to provide any additional RI reporting, where required.

Stewardship and active ownership

Stewardship and active ownership are critical parts of RI. Although Man AHL’s strategies are all systematic, being part of Man Group gives us the unique ability to draw on extensive resources, including a dedicated Stewardship team and the broader discretionary capabilities of Man GLG.

The Stewardship team leverages Man Group's scale and aggregate ownership in securities to impose best practices related to E, S and G issues in order to affect meaningful, positive outcomes.

The Stewardship team is responsible for the application of an RI-oriented proxy voting policy applicable to all holdings and a bespoke screening system to identify high-value positions. The team oversees the proxy voting process and manages the relationship with its proxy service provider, Glass Lewis.

The Stewardship team is also responsible for engagement activities across Man Group and collaborates in several investor initiatives. These centre around certain topics like board gender diversity, executive compensation, climate and social-related proposals, and other shareholder proposals.

Industry engagement

As a founding signatory to the Standards Board for Alternative Investments ('SBAI') and a signatory to the UN PRI, Man AHL has long recognised that investment management does not and cannot operate in a vacuum, and therefore actively promotes the highest ethical standards in all it does. We partner with other asset owners as part of collaborative engagements on topics like climate (Climate Action 100+, ShareAction) and modern slavery (Investor Forum).

As a result, Man AHL actively participates in the broader RI debate together with asset owners, regulators and industry groups to increase the understanding of specific issues such as the treatment of broad equity indices or other macro securities, which affect systematic managers like Man AHL in particular. In 2019, we published a dedicated paper addressing the difficulty in reconciling RI approaches in their current form with macro investment strategies¹, and this was followed up in 2021 with how these challenges may be overcome². 2021 also saw Man Group's academic advisory board meet to discuss ESG investing³, with a literature review also published^{4,5}.

¹ Gatecrashing the Party: Can (Systematic) Macro Managers Invest Responsibly? <https://www.man.com/maninstitute/gatecrashing-the-party>

² Can Systematic Investors Plead the Fifth on RI? <https://www.man.com/maninstitute/can-systematic-investors-plead-fifth-on-ri>

³ Academic Advisory Board <https://www.man.com/maninstitute/esg-investing-aab>

⁴ ESG investing: what does the research say? <https://www.man.com/maninstitute/esg-investing>

⁵ Climate investment: Positioning Portfolios for a Warmer World- Climate paper | Man Group

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Man Investments, Inc. ("MII") will be relying on the international dealer exemption pursuant to subsection 8.18(2) of NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations in Ontario. Please note that:

- I. MII is not registered in Ontario to trade in securities;
- II. MII's head office or principal place of business is located in the State of New York, U.S.A.;
- III. all or substantially all of MII's assets may be situated outside of Canada;
- IV. there may be difficulty enforcing legal rights against MII because of the above;
- V. the name and address of MII's agent for service of process in Ontario is 152928 Canada Inc., c/o Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario M5L 1B9.

Please note that MII's agent for service of process is solely for purposes of serving upon it notices, pleadings, subpoenas, summons or other processes in actions, investigations or administrative, criminal,

quasi-criminal or other proceedings arising out of or relating to or concerning MII's activities in Ontario.

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