

# Essential State Street Investment Management

A summary of State Street Investment Management's ("**State Street IM**") EMEA separately managed accounts and related conflicts of interest

December 2025

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The information provided in this document reflects the business and operations of a number of State Street IM legal entities in the Europe, Middle East and Africa ("EMEA") region. State Street IM (formerly known as State Street Global Advisors) is the

global asset management business division of State Street Corporation ("State Street") which is a bank holding company in the United States of America and whose shares are traded on the New York Stock Exchange. State Street IM comprises a number

of affiliated entities located around the world, including State Street Global Advisors Limited, a limited liability company organised under the laws of England and State Street Global Advisors Europe Limited, a limited liability company organised under the laws of Ireland.

**If you have any questions, or if you need additional information, please do not hesitate to contact your State Street IM relationship management team.**

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## Introduction

State Street Investment Management (“**State Street IM**”) is the asset management business of State Street, the parent company of which is State Street Corporation (“**State Street Corp**”). State Street Corp and its subsidiaries are referred to herein as (“**State Street**”).

State Street IM provides investment management and related services for client accounts (“**Separately Managed Accounts**”). State Street IM also provides outsourced investment management services through its Investment Solutions Group which includes State Street IM’s outsourced investment manager team. In the Europe, Middle East and Africa (“EMEA”) region, State Street IM operates through a number of legal entities, further details of which are set out in this document. You should understand the State Street IM legal entity with which you contract for services and ask your State Street IM relationship management team about the potential implications of such legal entity’s regulatory status.

The information presented herein is intended to provide a summary of certain aspects of the management of State Street IM’s Separately Managed Accounts that we believe may be important to our clients as well as to describe certain identified, related conflicts of interest. **It is not designed to cover investment vehicles such as pooled investor funds or investor dedicated funds established by State Street IM (together, “Pooled Funds”).** More specific information about State Street IM’s Pooled Funds is included in the governing documentation for the Pooled Funds, which is provided to clients prior to making an investment in a Pooled Fund, and which is also available from your State Street IM relationship management team upon request or, in the case of existing investors, may also be made available via the Client Access Portal on [ssga.com](https://ssga.com).

The information provided in this brochure does not constitute investment, legal or tax advice, and it should not be relied on as such. This brochure should not be considered a recommendation of, solicitation to buy, or an offer to sell, a security or any other financial instrument, either generally or for any particular investor. Additionally, this brochure does not take into account any investor’s particular investment objectives, strategies, operational requirements, tax status or investment horizon.

While this brochure highlights certain matters for your consideration in evaluating State Street IM’s services, it is not intended to be a complete statement of all matters that may be material to your evaluation. Important information and disclosures regarding your investments are included in other documents. We also make a variety of other information available to our clients and prospective clients. Our expectation is that, provided we have categorised our clients as professional clients (or counterparties for those clients who contract with State Street Saudi Arabia Financial Solutions), our clients are sophisticated users of asset management services and/or retain sophisticated advisers. Certain of our clients are also fiduciaries to other underlying investors. As such, we rely upon our clients and prospective clients to identify information that they consider to be material to their evaluation of State Street IM’s capabilities, services and performance, and to request such information. This brochure should supplement your due diligence and is not intended as a substitute for your judgement as to information that is material to your evaluation. You should also consult with your own legal, fiduciary, consultant, tax and other advisers in understanding and evaluating the information in the brochure, as well as determine the full scope of the due diligence you should perform on our services.

Our organisation, industry, and applicable regulations are continually changing and evolving. We may amend our policies and procedures as well as this brochure at any time.

The rights and obligations of State Street IM and its clients are determined by reference to the agreements and governing documents related to the investment

product or service in question, and not by this brochure. Nothing in this brochure shall be read or construed as creating any right, duty, obligation, or liability for State Street IM or any of its affiliates or be legally binding on State Street IM or any of its affiliates.

While we have attempted to identify in this document the material conflicts of interest associated with the investment management services we provide to you, we may not have identified all such conflicts of interest, and other conflicts of interest may arise in the future. We have developed policies and procedures intended to generally mitigate and manage the conflicts of interest that may arise, however, there can be no assurance that every actual or potential conflict of interest identified will be successfully mitigated or eliminated.

The status of State Street IM or one of its affiliates as a fiduciary, trustee or agent to you or one of your affiliates with respect to the services described herein does not imply or create a similar relationship or related obligations with respect to any other contractual arrangement or service relationship.

**Confidentiality.** This document contains confidential and proprietary information of State Street. State Street intends for this document to be for the benefit and internal use of, and distributed only to, actual and prospective clients of State Street IM, or their professional advisers, so that such recipients may obtain a more comprehensive understanding of the services and the actual or potential conflicts of interest associated therewith. Each recipient must keep this document confidential and may not, without the prior written consent of State Street, publish, redistribute, make available or otherwise disseminate this document to any other person.

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## Section I. Separately Managed Accounts

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### **What are the governing documents for State Street IM's Separately Managed Accounts?**

Each Separately Managed Account is a separate client account that is managed for the benefit of a single client where the single client owns the assets of the underlying portfolio. A Separately Managed Account may have investment strategies that permit the Separately Managed Account to hold securities and/or other instruments directly and also hold units in a Pooled Fund managed by State Street IM or an affiliate, or funds that are managed by an unaffiliated entity.

Each Separately Managed Account is governed by a written agreement between State Street IM and the client. This typically takes the form of an investment management or similar agreement detailing the terms and conditions pursuant to which State Street IM will manage the Separately Managed Account. In cases where a Separately Managed Account holds units in a Pooled Fund or other fund, the client also may be required to sign an application form or other document relating to its investment in the fund.

State Street IM may provide copies of important disclosure documents to Separately Managed Account clients electronically, in certain instances by providing a link to the documents, prior to the funding of a Separately Managed Account, as well as upon request. In the case of existing investors, such copies may also be made available on the Client Access Portal on [ssga.com](http://ssga.com). You may also request a copy of any of these documents from your State Street IM relationship management team at any time.

### **Who manages the assets in a Separately Managed Account?**

Consistent with the relevant investment management agreement, State Street IM may appoint a sub-adviser for all or a portion of the Separately Managed Account or

delegate certain of its functions, duties and/or obligations to another entity, including an affiliated entity as listed in Section II of this brochure.

### **Advice regarding non-securities derivatives**

Where a Separately Managed Account is delegated to State Street Global Advisors Trust Company (“**SSGA Trust Co**”), SSGA Trust Co, generally delegates the provision of advice on futures, options on futures and swaps that are not treated as securities for U.S. securities law purposes (collectively, “non-securities derivatives”) to SSGA Funds Management, Inc. (“**SSGA FM**”) in cases where the derivatives transaction is traded on a U.S. exchange, the Separately Managed Account client is a U.S. client, and/or SSGA Trust Co is the investment manager or sub-adviser for such Separately Managed Account. SSGA FM is a wholly owned subsidiary of State Street Corp. and an affiliate of SSGA Trust Co. All portfolio management employees of SSGA FM are employees of SSGA Trust Co. Accordingly, and notwithstanding the delegation from SSGA Trust Co to SSGA FM, the investment staff that manages your Separately Managed Account with respect to non-securities derivatives will likely be the same staff that manages the Separately Managed Account with respect to securities or other instruments.

SSGA FM is registered as a commodity trading advisor with the CFTC and is regulated by the NFA.

In addition, SSGA FM is registered with the SEC as an investment adviser. SSGA FM is also subject generally to the policies described below in Section II.

Where a Separately Managed Account is delegated to SSGA FM, in accordance with the requirement in *CFTC Regulation 4.7 (17 CFR § 4.7)*, SSGA FM hereby provides the following required disclosure to the client:

“PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE OR ACCOUNT DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE [COMMISSION](#). THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF [COMMODITY TRADING ADVISOR](#) DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS BROCHURE OR ACCOUNT DOCUMENT.”

### **How does a Separately Managed Account implement its investment strategy?**

Separately Managed Accounts may implement their investment strategies in a variety of ways as agreed upon by State Street IM and the client and memorialised in the investment management agreement. These may include direct and indirect investment in securities and other instruments, interests or assets, including investments in Pooled Funds. As clients are given the ability to design unique investment strategies and guidelines applicable to their Separately Managed Accounts, such Accounts may entail greater or different investment, operational and financial risks than those that exist with investments in a Pooled Fund. Frequently, State Street IM is only managing a portion of a client’s assets and, consequently, is not able to determine how the investment of Separately Managed Accounts under its management affects the client’s overall investment results or its needs for diversification, return, liquidity or other factors that may influence its investment objectives and strategies. State Street IM may assist its clients in determining the assets or asset classes in which to invest and describing the particular investment strategy in the investment guidelines, which form part of the investment management agreement; however, the client is solely responsible for making the final decision in selecting and in amending from time to time an

investment strategy and guidelines that achieve its overall investment objectives and requirements. State Street IM does not undertake to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the offer and sale of its investment management services.

#### *Provision of Benchmark Indexes*

Whilst the index providers provide descriptions of what the benchmark indexes are designed to achieve, they do not provide any warranty or accept liability in relation to errors relating to their benchmark indexes, including any error in respect of the quality, accuracy or completeness of index data and do not guarantee that the index will be in line with the described index methodology. Furthermore, State Street IM does not provide any warranty or guarantee for index provider errors and does not have any responsibility for the identification or correction of such errors. Errors in respect of the quality, accuracy and/or completeness of index data may occur from time to time and may not be identified and corrected for a period of time.

#### *Sustainability Factors or Sustainable Investing*

Whether the assessment of material environmental, social or governance opportunities or risks<sup>1</sup> ("Sustainability Factors") are integrated into a Separately Managed Account investment strategy will depend on what has been agreed between State Street IM and the client and memorialised in the investment management agreement.

The State Street Investment Management's Sustainable Investing Capabilities Statement is published at the following website address:

<https://www.ssga.com/library-content/pdfs/esg-investment-statement.pdf>

Additional information regarding State Street IM's policies on the integration of Sustainability Factors in its decision-making process can be found at the following website address:

<https://www.ssga.com/esg>

#### **How do I invest in or withdraw from a Separately Managed Account?**

The investment management agreement with the client contains details of how investments and withdrawals may be made in connection with a Separately Managed Account.

#### **What fees and expenses are associated with an investment in a Separately Managed Account?**

State Street IM generally charges its clients directly for providing investment management services for a Separately Managed Account. The terms and payment schedule for such fees are detailed in the investment management agreement with the client.

Our fees applicable to Separately Managed Accounts may differ by investment strategy and client. Clients may negotiate their asset management fees and may be offered different fees than other clients for similar investment strategies or services based upon State Street IM's consideration of a variety of factors which may include, but are not limited to, the amount managed within the Separately Managed Account, client or plan type, total client or plan size, services provided to the client, the costs incurred in servicing a client (including agreement to allow delegating and information sharing to affiliates) and/or aggregate business relationship with State

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<sup>1</sup> Including such risks as defined as "sustainability risks" under Regulation (EU) 2019/2088 (the "Sustainable Finance Disclosure Regulation" or "SFDR")

Street IM and/or State Street (such as the provision of custody, securities lending or transition management services). Consequently, some clients may pay higher fees than others for the same or similar investment products. We are not obligated to disclose the different amounts or rates we charge our clients. It is the responsibility of the client or the client's independent adviser to determine, on an ongoing basis, whether the fees charged by State Street IM are acceptable and whether comparable services can be obtained on more favourable terms from other investment advisers. When State Street IM is establishing a new relationship, or discussing changes to an existing fee arrangement, State Street IM is not acting in a fiduciary capacity during the contract negotiation with the client (including negotiation of the fee State Street IM will receive for its services). Evaluation of the appropriateness of State Street IM's fees and services is the responsibility of the client and/or the client's independent adviser not only at the commencement of its relationship with State Street but also over time, as the fees and services available in the industry and State Street IM's relative investment performance, change over time. In certain instances, pursuant to the written agreement in place with a client, State Street IM may charge the client a performance-based fee for management of a Separately Managed Account. The existence of this fee could create an incentive for State Street IM to take risks, consistent with the Account's investment guidelines, in managing the investment strategy that it would not otherwise take in the absence of such fee arrangement.

Clients bear the expenses incurred by the Separately Managed Account related to its investments. Expenses related to investments may include, but are not limited to, index fees, brokerage commissions and spreads on certain types of transactions. There are other non-investment related expenses that may be incurred by a Separately Managed Account, and you should consult with your custodian for further information regarding such expenses. State Street IM does not monitor and is not liable for such expenses or the obligations of the custodian of the Separately Managed Account.

#### **Who provides custodial services for a Separately Managed Account?**

The client determines who will serve as custodian for its Separately Managed Account. Generally, State Street IM can work with any custodian. State Street IM has built relationships with many of the industry's major custodian banks. Assets other than cash of a Separately Managed Account for which the client has retained State Street as custodian are segregated from, and are not commingled with, any of State Street IM's or the State Street custodian's own assets. However, such non-cash assets may be commingled with the assets of other clients of the State Street custodian. As discussed above, State Street IM does not monitor and is not liable for the Separately Managed Account client's custodian bank's fees and expenses or the obligations of the custodian, including any custody or other services provided to the Separately Managed Account by State Street.

#### **Can Separately Managed Accounts participate in securities lending programmes?**

Yes. A Separately Managed Account client may enter into an arrangement (outside of the investment management agreement) with a securities lending agent for lending securities held in a Separately Managed Account. The lending agent may or may not be an affiliate of State Street IM. The decision to engage in securities lending may affect the operations of the Separately Managed Account, the costs associated with such Separately Managed Account and involve risks and considerations separate from the investment objective and guidelines of the Separately Managed Account.



For additional information regarding securities lending programmes generally, and how a programme offered by an affiliate of State Street IM operates, please discuss with your State Street IM relationship management team.

### **What is State Street IM's policy on proxy voting for Separately Managed Accounts?**

Separately Managed Account clients may delegate responsibility for voting of proxies in respect of the Separately Managed Account to State Street IM, in which case State Street IM will vote the securities held in such accounts in accordance with State Street IM's Proxy Voting Policy<sup>2</sup>. However, a client may decide to vote proxies itself, in which case the client's investment management agreement will reflect this understanding and State Street IM will not be responsible for any voting decisions or actions taken with respect to proxies for the securities held by that Separately Managed Account. Additionally, as discussed below, State Street IM has made its Proxy Voting Choice Programme available to clients with index equity Separately Managed Accounts. Other than through the Proxy Voting Programme, State Street IM generally does not undertake to implement a client's own customised voting policy on the client's behalf. Rather, clients would need to make arrangements outside of State Street IM to have a custom voting policy applied outside of the Proxy Voting Choice Programme. Such clients may instruct State Street IM to vote proxies in accordance with their instructions or guidelines, however, in fulfilling those instructions, State Street IM will still follow its Proxy Voting Policy and procedures as set forth below.

Where State Street IM votes proxies of securities held by Separately Managed Accounts, State Street IM seeks to vote proxies for the Separately Managed Account in the economic interests of its clients and make proxy voting decisions State Street IM believes will protect and promote the long-term economic value of the applicable portfolio company. Generally, State Street IM will vote proxies in the same way for all of its clients, including Separately Managed Accounts, regardless of a client's investment style or strategy or its approach to corporate governance or other issues. State Street IM takes the view that voting in a manner intended to maximise the long-term value of the portfolio companies held in client accounts will benefit clients and, indirectly, any ultimate owners and beneficiaries of those clients.

There are certain limited cases in which State Street IM will not vote securities held by a Separately Managed Account in accordance with State Street IM's Proxy Voting Policy: (i) where the Separately Managed Account client participates in the Proxy Voting Choice Programme by selecting a third party proxy voting policy to apply to the Separately Managed Account, in which case securities held in the account will be voted in accordance with the third-party proxy voting policy selected by the client; and (ii) where voting authority with respect to certain securities held by the Separately Managed Account may be delegated to an independent third party, or where State Street IM selects a third party proxy voting policy in respect of certain securities, in each case as required by regulatory or other requirements. In such cases, the proxy votes implemented with respect to such Separately Managed Account may differ from, and be contrary to, the votes implemented for other portfolios managed by State Street IM pursuant to the Proxy Voting Choice Policy.

State Street IM's Asset Stewardship Team ("**Stewardship Team**") is responsible for developing and implementing State Street IM's Proxy Voting Policy, case-by-case proxy voting items, issuer engagement activities, and research and analysis of

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<sup>2</sup> Available at: <https://www.ssga.com/us/en/institutional/ic/about-us/what-we-do/asset-stewardship/asset-stewardship-library>

related issues. In certain limited circumstances, voting decisions are escalated to the Head of State Street IM's Stewardship Team. The Stewardship Team's activities are overseen by State Street IM's Global Fiduciary and Conduct Committee (the "**GFCC Committee**"), an internal governance body which provides oversight of proxy voting issues as described in greater detail below. The GFCC reviews and approves amendments to the Proxy Voting Policy.

In order to facilitate the execution of State Street IM's proxy votes; State Street IM retains Institutional Shareholder Services Inc. ("**ISS**"). State Street IM utilizes ISS to: (1) act as State Street IM's proxy voting agent (providing State Street IM with vote execution and administration services); (2) assist in applying State Street IM's Proxy Voting Policy; and (3) provide research and analysis relating to general corporate governance issues and specific proxy items. State Street IM does not follow the voting recommendations of any policy offered by ISS or any other proxy voting policy provider in implementing State Street IM's Proxy Voting Policy. The Stewardship Team reviews with ISS State Street IM's Proxy Voting Policy and the services that ISS provides to State Street IM on an annual or case by-case basis as needed.

Conflicts of interest may arise as a result of exercising proxies. For example, or its affiliates may provide services to a company whose management is soliciting proxies, or to another entity that is a proponent of a particular proxy proposal. Another example could arise when State Street IM or an affiliate has business or other relationships with participants involved in proxy contests, such as a candidate for a corporate directorship. Where a conflict of interest is identified, the matter is escalated to the Head of State Street IM's Stewardship Team.

For additional information regarding State Street IM's Proxy Voting Policy related conflicts of interest please refer to the Proxy Voting Policy and "*Managing Conflicts of Interest Arising from State Street Global Advisors' Proxy Voting and Engagement Activity*", available upon request from your State Street IM relationship management team and published on our website at the following address:

<https://www.ssga.com/library-content/assets/pdf/global/asset-stewardship/ssga-conflicts-mitigation-guideline.pdf>

#### *Proxy Voting Programme*

In addition to the option of delegating proxy voting authority to State Street IM pursuant to State Street IM's Proxy Voting Policy, clients with index equity Separately Managed Accounts (each, an "**Eligible Account**") may alternatively choose to participate in the Proxy Voting Choice Programme, which provides Separately Managed Account clients with the opportunity to direct how the securities held in their Eligible Accounts are voted. Eligible Account clients that participate in the Proxy Voting Programme have the option of selecting a third-party proxy voting policy from among policies included in the Proxy Voting Choice Programme to apply to the vote of shares of stock held in any such Eligible Account. For Eligible Account clients that select a third-party proxy voting policy, the securities held by such Eligible Account will be voted consistent with such third-party proxy voting policy.

For Eligible Accounts participating in the Proxy Voting Choice Programme, there is a risk that the third-party proxy voting policy provider's interpretation of how a voting policy should be applied in respect of a vote may be different than a client's interpretation as to how the policy should be interpreted in respect of that vote. There is also a risk that voting at meetings may not occur where power of attorney documentation is required, where voting will have a material impact on State Street IM's ability to trade the security, where voting is not permissible due to sanctions affecting a company or an individual, where issuer-specific special documentation

is required where various market or issuer certifications are required, or in so-called “share blocking” markets (markets where proxy voters have their securities blocked from trading during the period of the annual meeting). If a client is affiliated with a public company, and the client participates in the Proxy Voting Choice Programme, there is a risk that shares of the affiliated company will be voted pursuant to the proxy voting policy selected by the client. If the Proxy Voting Choice Programme becomes unavailable due to applicable regulatory, operational, local market, tax, cost and/or other constraints applicable to State Street IM, any third party proxy voting policy provider, or any third party proxy administrator, or State Street IM otherwise discontinues the Proxy Voting Choice Programme, it may result in shares being voted in accordance with State Street IM’s Proxy Voting Policy rather than in accordance with a client’s choice of voting policy.

For additional information available to Eligible Account clients, including additional discussion of the risks of participating in the Proxy Voting Choice Programme, please refer to the “*State Street IM Proxy Voting Choice Programme – Application Form*,” available upon request from your relationship management team.

#### **What is State Street IM’s practice regarding filing of class action claims for Separately Managed Accounts?**

State Street IM is generally not responsible for evaluating “opt-out” or “opt-in” litigation matters or filing proof of claim forms or other enrolment documents on behalf of Separately Managed Account clients.

#### **Who handles tax reporting for Separately Managed Accounts?**

When investing in a Separately Managed Account, tax details and tax reporting, if any, are generally handled by the client’s custodian and not State Street IM. Accordingly, it is important that the client work with their custodian to ensure that the appropriate level of withholding tax is levied and that all reporting is in compliance with applicable law.

Unless otherwise expressly notified in writing by the client that an exemption or reduction is applicable, State Street IM will not seek any exemption or reduction in respect of any tax or other fiscal liability payable by the client in respect of any transaction undertaken within a Separately Managed Account (including, where applicable, any financial transaction tax which may be payable by the client).

#### **What rules apply for handling cash penalties under CSDR?**

With regard to cash penalties payable under the European Union’s Central Securities Depositories Regulation (909/2014/EU) (“**CSDR**”) and the Settlement Discipline Regime (“**SDR**”), as also reflected in the Regulatory Technical Standards to the CSDR, Commission Delegated Regulation 2018/1229/EU, State Street IM will apply a materiality threshold for validation of the responsible party for a cash penalty payment and for compensation of clients for penalty payments where the amount of a penalty is below a de minimis threshold of EUR 500. For each cash penalty amount exceeding EUR 500, State Street IM will validate the responsible party for a cash penalty, and shall, if State Street IM has violated its contractual duties and where this has caused a settlement fail, compensate clients in accordance with the liability provisions of the subject investment management agreement. Where a cash penalty exceeding EUR 500 has been caused by a settlement fail under the responsibility of a broker or counterparty, or your custodian State Street IM will, in accordance with further specifications under the investment management agreement, as the case may be, take reasonable steps to obtain compensation from such party on behalf of clients.

The penalty currency is determined by the Central Securities Depository and may be in a currency other than that of the failing trade or in a currency that State Street

IM is not permitted under the investment management agreement to invest in. Such balances would not be deemed an investment breach by State Street IM and State Street IM does not assume any responsibility to clear these balances from the mandate.

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## Section II. General Information Relating to Separately Managed Accounts and Information Regarding State Street IM's (and State Street's) Policies

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### What are the purposes and limitations of State Street IM's (and State Street's) policies and procedures?

The various State Street IM policies and procedures described herein and other policies and procedures maintained by State Street IM and State Street, including the State Street IM Code of Ethics and the State Street Standard of Conduct, are intended to protect State Street IM and State Street and are not intended to protect State Street IM clients. State Street IM and State Street policies and procedures are reasonably designed to help ensure compliance with applicable laws and regulations and to help prevent errors, omissions and acts of misconduct by State Street IM, State Street and their employees. However, the existence of such policies and procedures cannot guarantee or provide assurance that errors, omissions or acts of misconduct will not occur or that State Street IM and State Street will at all times remain in full compliance with all applicable laws and regulations. In addition, it should be understood that the existence of State Street IM's and State Street's policies and procedures does not create any additional rights for clients not otherwise held by them under applicable law in connection with their client relationship with State Street IM.

### Who regulates State Street IM or oversees State Street IM's actions regarding Separately Managed Accounts?

#### *External regulation/oversight*

The following list includes EMEA and non-EMEA domiciled State Street IM legal entities that may, depending on the client mandate, provide investment management services for Separately Managed Accounts:

**State Street Global Advisors Limited**, a limited liability company organised under the laws of England; authorised and regulated by the Financial Conduct Authority;

**State Street Global Advisors Europe Limited (including via its branch office in Kraków)**, a limited liability company organised under the laws of Ireland; authorised and regulated by the Central Bank of Ireland;

**State Street Saudi Arabia Financial Solutions**, a closed joint company organised and existing under the laws of the Kingdom of Saudi Arabia, authorised and regulated by the Capital Markets Authority of the Kingdom of Saudi Arabia ("SSSAFS");

**State Street Global Advisors Trust Company**, a state chartered limited purpose non-depository trust company organised under the laws of Massachusetts and which is regulated by the Massachusetts Division of Banks and the Federal Reserve;

**State Street Global Advisors Asia Limited**, a limited liability company incorporated under the laws of Hong Kong; the home jurisdiction regulator is the Securities and Futures Commission of Hong Kong;

**State Street Global Advisors, Australia, Limited**, a limited liability company organised under the laws of Australia and being the holder of an Australian Financial Services Licence;

**State Street Global Advisors (Japan) Co., Ltd**, a limited liability company organised under the laws of Japan; authorised and regulated by the Financial Services Agency of Japan.

**State Street Global Advisors Singapore Limited**, a limited liability company incorporated under the laws of Singapore; regulated by the Monetary Authority of Singapore.

**SSGA Funds Management, Inc.** a limited liability company organised under the laws of Massachusetts; registered as a commodity trading advisor with the Commodity Futures Trading Commission and regulated by the National Futures Association. Also registered with the United States Securities and Exchange Commission as an investment adviser

Certain of State Street IM's internal controls (referenced below) are evaluated annually by an independent external auditor for the 12-month period ended June 30. State Street IM's SSAE 18/ SOC 1 report, the report on which the independent auditor evaluates certain of State Street IM's internal controls, is typically available in late August of each year. Copies may be obtained by contacting your State Street IM relationship management team.

While State Street IM and its activities are subject to the regulatory oversight discussed in this section, no regulator has commented upon or approved the agreements related to the Separately Managed Accounts. The regulators also have not reviewed the manner of providing investment management or related services by State Street IM or its affiliates, nor the compliance by State Street IM or any of its affiliates with applicable laws and regulations.

#### *Internal oversight and governance*

State Street IM maintains a comprehensive governance structure to oversee risk and facilitate effective oversight of State Street IM's various business functions, including with respect to State Street IM's management of the Separately Managed Accounts and Pooled Funds. This governance structure is designed to ensure that committees are operating effectively, making decisions to support State Street IM's fiduciary duties, and providing a forum for escalation, challenge, discussion, and resolution of any issues. The governance structure, which holds State Street IM and its employees to a high ethical standard, also supports State Street IM's objectives to advance a culture of risk excellence, identify and mitigate risks within its businesses, and deliver results. State Street IM Compliance ("**Compliance**") representatives actively participate in a majority of State Street IM's committees. Compliance participation in State Street IM's governance structure is deemed critical to State Street IM's overall compliance risk management strategy, as it enables Compliance to influence State Street IM's decision-making processes and allows Compliance to directly assess the overall effectiveness of State Street IM's governance structure. In EMEA, the State Street IM governance structure consists of regional Senior Management Committees ("SMC"), which include senior employees from the business and corporate support teams, that manage and oversee the relevant region covered by the SMC. The SMCs receive their authority from the Boards of Directors of State Street Global Advisors Limited (in the case of the UK SMC) and State Street Global Advisors Europe Limited (in the case of the Europe ex-UK SMC).

The SMCs oversee investment management activities, including investment support and related services, provided by the relevant delegating entity, including oversight of personnel responsible for providing such services.

All of the major business areas of State Street IM are subject to periodic review by State Street's Corporate Audit Division. Corporate Audit performs, at a minimum, annual risk assessments of the audit universe. Audit frequencies tie directly to the outcome of the risk assessment process and historical audit results and may periodically be modified to meet regulatory requirements, independent public accountants' and management requests. Individual audits are conducted using the principles outlined in the Committee of Sponsoring Organisations of the Treadway Commission (COSO) as the basis for evaluating internal control frameworks. The methodology for an individual audit encompasses the identification of business objectives, the risks associated with achieving the objectives and the controls management must implement to ensure that the risks are effectively managed.

**How would you describe State Street IM's global firm footprint and operating model?**

State Street's group companies have a long history of interdependence, transferring operations to each other to draw upon expertise and leveraging a common operating model. State Street IM operates via a unified global investment platform. Through this platform we seek to leverage the expertise and economies of scale that reside within our global affiliates, and to do so in a manner designed to deliver successful investment outcomes and meet the evolving needs of our clients. This operating model also allows for continuous coverage while providing added resiliency to our operations and enhancing processing speeds. Our principal offices from which we provide investment services include London, Dublin, Kraków, Boston, Stamford, Riyadh, Sydney, Tokyo, Singapore and Hong Kong. We utilise affiliates located around the world, including USA, India, Ireland, China, Poland and the United Kingdom, to perform a wide range of functions associated with the ongoing management, servicing and oversight of our Separately Managed Accounts. Services performed include trade processing functions, billing and portfolio administration functions (including daily position and cash account reconciliation, performance reporting, cash flow processing, trade administration functions and corporate actions), finance and accounting functions, and certain client reporting and shareholder services functions. As our business model continues to evolve, we may determine to conduct other activities, including but not limited to investment management and trading related functions, in these or other locations in order to access additional capabilities and talent and to improve the efficiency of our operations.

State Street IM utilises State Street's Global Delivery team for middle office functions, including trade and derivative processing and operations, portfolio management support and performance attribution. State Street IM uses State Street's Data GX for security master and index data services. State Street IM utilises State Street's BestX Ltd for fixed income transaction cost analytics. In addition, unaffiliated investment managers that State Street IM's outsourced investment management team hires on behalf of its clients may independently engage affiliates of State Street IM (including, without limitation, State Street Bank and Trust Company ("SSBT") and/or Charles River Development) to provide certain services to the unaffiliated manager and/or its client accounts.

In so doing, it may share certain client information with such affiliates or third parties. At State Street IM we operate via a unified global investment platform through which we seek to leverage the expertise and skills that reside in our various global affiliates and subsidiaries.

In the case of Separately Managed Accounts, the overall responsibility and liability will remain with the State Street IM entity that entered into the investment management agreement with the client, but such responsibility and liability will be

limited by the terms of the relevant investment management agreement. Unless your investment management agreement provides otherwise, we will deem you to have consented to our global operating model and the sharing of your information, in accordance with applicable law, by your entering into an investment management agreement with State Street IM and continuing to use our services.

#### **How does State Street IM store and control access to clients' data?**

In connection with the services we provide, the performance of our contractual obligations to our clients and the management of our business, State Street IM (or our agents and service providers on our behalf) continuously receive, process and maintain data and information regarding our clients and their employees, investors and clients. Examples of the types of data and information we receive and access include information about a client's business, financial affairs, end customers or operations, transactional data, holdings information, compliance reporting, cash availability reporting, fees and rates negotiated with State Street. In the course of providing services, we may share such information with third parties and affiliates, some of which may be located in countries outside of the European Economic Area ("EEA"). The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the EEA. In these instances we will take steps to ensure that your privacy rights are respected. Any transmission of data will be in a manner consistent with required regulations. We also wish to make you aware of the Privacy Notice for the State Street IM group in light of the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR") requirements. The Privacy Notice explains how State Street IM and any fund or product sponsored by State Street IM collects, uses, stores, shares or otherwise processes personal data. The Privacy Notice is available on the State Street IM website, [ssga.com](http://ssga.com), and will apply each time you share personal data with us. State Street IM may periodically update its Privacy Notice and will make the updated version available on the above website.

We may also need to access data in our possession to meet various regulatory obligations. For example, State Street IM may be required by a regulator, self-regulatory organisation, or other governmental or supervisory authority to report certain information about clients to these authorities. In some instances, we may be prohibited from informing clients that we have provided this information, even if such information is considered confidential by clients. Your data will only be used to: (i) allow State Street IM to perform services you have hired us to perform and (ii) carry out management of State Street's business including financial and operational management reporting, risk management, legal and regulatory compliance and client service management. We may also use such data to better understand how our clients use services that we and others provide and to determine if other services that we offer may be appropriate for our clients. Data access rights are granted on a "need to know" basis, and State Street will not, without prior consultation with you, use your data in any product or service nor will it be provided to third parties for their commercial use other than at your direction.

Our objective is to protect against any anticipated threats or hazards to the security or integrity of the data and information we process and store, and to protect against its unauthorised access or use. The overall end-to-end controls environment surrounding the services we provide and the manner in which we process data and information incorporates a variety of procedural, operational and automated controls. All State Street affiliates, including State Street IM, are subject to this controls environment. Periodic testing of State Street IM's procedures and controls are conducted by State Street's corporate information security, compliance and business unit controls teams. In addition, both State Street's internal audit department and independent third parties conduct periodic examinations and/or

reviews of operating procedures, information technology systems, and corresponding controls.

Additionally, we augment our data management with cloud-based content management platforms and other cloud-based systems for certain of our data management needs. The benefits of cloud-based systems and solutions include enabling us to employ enhanced security protocols and data loss prevention tools, permitting us to classify data in accordance with our information security policies and procedures and providing us with the ability to comply with country-specific data access and storage requirements using geographically dispersed data centres designated by State Street. Access to data transferred or stored on such third-party systems, which meet or exceed standards established under our third-party risk management framework, is controlled by State Street and granted only to authorized employees of State Street group companies (and, where appropriate, entities that support State Street group companies).

### **What are State Street IM's policies with regard to risk management?**

State Street IM understands that the business activities it conducts expose clients and State Street to a certain degree of risk that may endanger the execution of strategy and realisation of business and investment objectives. Accordingly, State Street IM Enterprise Risk Management ("ERM") has implemented a Risk Policy and a corresponding supporting risk management framework which was developed to enforce State Street IM's risk monitoring and mitigation efforts. It is designed to protect both State Street and State Street IM's clients and seeks to balance potential returns with acceptable levels of risk. The inclusion of protections for both State Street and State Street IM clients is a cardinal element of this framework, as we believe that by effectively managing the risks of the investment management operations of State Street, we are also protecting the collective interests of our clients. The Global Risk Committee is the most senior oversight and decision-making committee for risk management within State Street IM. Its purpose is to ensure alignment of strategy, and risk appetite, as well as alignment with State Street corporate-wide strategies and risk management standards. While State Street IM maintains a risk management framework, not all risk can be mitigated or eliminated. There can be no assurance that the risk management framework, which is based on State Street IM's evaluations and decisions, will achieve its goals or that clients will not be adversely affected by exposure to risks, including incurring losses. State Street IM does not and cannot guarantee the avoidance of loss, and it is not liable for any investment losses that may result.

The "core risk oversight areas" in State Street IM ERM are Counterparty Risk, Investment Risk, Liquidity Risk, Operational Risk and Model Risk. The EMEA Fiduciary and Conduct Committee provides oversight of Business Conduct and Fiduciary Risk as it relates to State Street IM in EMEA. Each risk area uses a variety of internal and external management tools and key risk indicators to measure, monitor, report and escalate key risk metrics.

### **How does State Street IM consider the impact market stress may have on investments?**

A variety of stress tests, encompassing both historical and hypothetical market and economic scenarios, are conducted regularly by the Investment Risk team at each investment level and reported to the portfolio management teams where outliers are discussed. Liquidity risk scenario analysis focuses on stressing asset and funding (redemption) liquidity risk by estimating relationships and sensitivities to past events and measuring potential impacts of market liquidity shifts, stress redemptions based on investor concentration, or tail redemption patterns. State



Street IM follows a formal corporate model risk framework where all risk models are monitored after going through a validation process.

The risk management team also performs independent stress testing and analysis on State Street IM as a whole, based on identified potential market stresses and/or regulatory initiatives.

#### **What process does State Street IM follow if an error occurs?**

State Street IM has a written policy governing the handling of errors, and procedures designed to identify, escalate, report and correct errors. We define an “error” as a failure by State Street IM to perform its obligations with respect to client accounts or its business in general, such as execution errors, recordkeeping/reporting errors, portfolio implementation errors, and certain business disruption/systems failures.

Employees are required to report errors (irrespective of whether resulting in gains or losses) for prompt review and appropriate corrective action. As a general matter, State Street IM will seek to correct losses caused by errors by attempting to place a client in a position State Street IM believes approximates as closely as practicable the position the client would have been in had the error not occurred. In the event of an error that has a *de minimis* impact, State Street IM may determine that the administrative burden may outweigh the benefit of correcting the error and may choose not to take any action. State Street IM cannot guarantee that clients will not be adversely affected by exposure to errors, including incurring losses.

#### **Does State Street IM assess the suitability of investments made in the course of managing a Separately Managed Account?**

When providing discretionary portfolio management services or investment advice, State Street IM carries out an assessment of the suitability of any discretionary decisions for a client with due regard to the client’s investment objectives and financial situation, in accordance with applicable law and regulation. This assessment is designed to ensure that State Street IM acts in the best interest of the client. In order to fulfil this obligation, State Street IM is required to ensure that we have obtained information from our clients, and have regard to, the client’s risk tolerance and ability to bear losses when assessing whether a discretionary decision is suitable for a client. State Street IM will rely on the fact that, all information which a client provides or has provided upon request of State Street IM is accurate, complete and not misleading in any respect. In some instances, State Street IM has little or no visibility of the total investment portfolio for a client. For example, State Street IM is often asked to respond to a request for proposal (RFP) or invited to make a presentation to a prospective or existing client regarding State Street IM’s capabilities with respect to a specific product, asset class or service. In that context, State Street IM does not have and cannot obtain sufficient information about the client’s other investments to make a suitability determination concerning the specific State Street IM product, asset class or service in relation to the client’s overall investment portfolio. Any information provided by State Street IM in such circumstances will be for illustrative purposes only and should not be relied upon by the recipient for the purposes of making any investment decision.

The following parties may recommend or provide products or services to, or otherwise enter into transactions or arrangements involving, a Pooled Fund or Separately Managed Account: consultants, asset management firms, recordkeepers, custodians, trading counterparties, and others. Consistent with applicable law, State Street IM, a Pooled Fund or Separately Management Account may compensate these parties for such arrangements. State Street and State Street IM, including their employees, may have other financial and non-financial

relationships with these parties. For example, State Street may provide asset services (e.g., middle and back-office services) to a party or its affiliate, or a State Street or State Street IM employee may serve as a member of the board of a party. As a result, State Street IM may be incentivised to enter into these arrangements; and the parties may be incentivised to promote State Street or State Street IM services. We have developed standards and policies intended to mitigate and manage these conflicts that may arise, however, there can be no assurance that every actual or potential conflict of interest identified will be successfully mitigated or eliminated. These standards and policies include: the State Street Investment Management Code of Ethics, State Street Standard of Conduct, State Street Outside Activity Policy and State Street IM Best Execution Policy.

### **What is State Street IM's policy on directed/restricted brokerage?**

For State Street IM to consider permitting directed/restricted brokerage for a Separately Managed Account, the client must make a determination that, in connection with its direction to State Street IM to execute a transaction with a specific counterparty or to restrict the counterparties with which a transaction may be executed: (a) its allocation of brokerage is prudent for the Separately Managed Account and its beneficiaries; (b) it has the necessary authority under applicable governing documents to give this direction; (c) the benefits from the directed/restricted brokerage (in the form of services obtained, expenses paid or cash rebates received) will go only to the Separately Managed Account and its beneficiaries; and (d) any expenses incurred are properly payable by the Separately Managed Account.

State Street IM will only consider or agree to engage in directed/restricted brokerage request with respect to a Separately Managed Account if it deems the relevant direction manageable from an operational, compliance and trading perspective. In the event that State Street IM permits such directed/restricted brokerage, the client should be aware that any such direction/restriction could limit State Street IM's ability to obtain as favourable a transaction price, commission rate, mark-up/mark-down or spread as might otherwise be obtained and that may be obtained by other State Street IM clients that do not impose such restrictions, including by executing transactions in accordance with the client's direction/restriction after other clients' aggregated transactions. In addition, the Separately Managed Account may forego benefits from savings on execution costs or more favourable pricing that may otherwise be obtained, most notably due to State Street IM's inability to aggregate with transactions for various other accounts. The client's direction of transactions to a particular counterparty (or restriction of the counterparties with which transactions may be executed) also may result in additional credit, operational and/or settlement risk. In addition, if a broker is not included within State Street IM's internal approved broker list, State Street IM will not perform initial or ongoing surveillance of that broker's creditworthiness or financial stability. Consequently, a client's direction to use a specific broker may entail greater operational and financial risks than may arise if brokerage selection is made by State Street IM. Such risks will be borne solely by the client. State Street IM is not liable for any loss, damages, costs or expenses resulting from a client's direction to use, or not use, specific counterparties.

### **What is State Street IM's best execution policy, including with respect to FX transactions?**

An important aspect of our discretionary investment management services includes the selection of broker-dealers and other counterparties. We seek to select counterparties and route orders based on our evaluation of a counterparty's ability to achieve best execution of client transactions. State Street IM's duty of

best execution requires that we take all sufficient steps to obtain, when executing orders or transmitting orders, the best possible result, taking into account various factors that are relevant to the particular transaction. These include, but are not limited to, price, cost, speed of execution, likelihood of execution, likelihood of settlement, the nature of the transaction, market liquidity, local laws and regulations, potential market impact and size of the transaction. In considering these best execution factors, State Street IM takes into account the particular characteristics of the order, the characteristics of the financial instrument, and the available execution venues and counterparties. While price is an important consideration, State Street IM's duty of best execution does not imply a duty to always obtain the best price available at the time of the transaction.

The ability of State Street IM to achieve best execution at the time of a transaction is limited by, among other things, the limitations set forth in a client's contractual arrangement with State Street IM and/or a counterparty, any restrictions or explicit directions imposed by the client as to the panel of counterparties with which State Street IM may transact with respect to the client's Separately Managed Account, the amount of available credit the client may have with counterparties, and any other specific instructions delivered by the client to State Street IM. These factors can be viewed in terms either of the particular transaction or in terms of State Street IM's overall responsibilities with respect to the accounts for which it exercises investment discretion and has the authority to select counterparties. State Street IM selects the counterparty for each transaction after considering price or spread and other qualitative criteria. However, the client, and not State Street IM, bears any credit and operating exposure to a counterparty.

Subject to the terms of the relevant investment management agreement with any particular Separately Managed Account client, State Street IM may be authorised to enter into brokerage and other trading agreements with counterparties relating to such client's Separately Managed Account. These agreements with counterparties are not approved by State Street IM clients and are entered into by State Street IM on terms and conditions that it considers reasonable and prudent. Accordingly, the agreements may not incorporate specific regulatory, tax, accounting or other provisions that a particular client may typically negotiate for itself (e.g., related to events of default, additional termination events and non-recourse provisions). Subject to its duties of best execution and unless restricted by the terms of the Separately Managed Account agreement, State Street IM may use the services of its affiliates for trade execution purposes.

#### *Custody FX trades*

State Street IM may coordinate with an account's custodian or sub-custodian to place and execute FX transactions on behalf of the account through the account's custodian or sub-custodian network. State Street IM places FX orders through an account's custodian or sub-custodians when State Street IM believes that it is difficult or not reasonably possible for State Street IM to enter into foreign exchange trades with trading counterparties (e.g., when State Street IM is restricted from dealing in a local market, suitable counterparties have not been identified, or State Street IM is seeking to mitigate operational or settlement risk in the local market) and, consequently, State Street IM determines that best execution can be achieved by placing FX orders through the account's custodian or a sub-custodian. State Street IM may be subject to a conflict of interest in agreeing to any such arrangements on behalf of an account because the custodian or sub-custodian may have a relationship with State Street, and such decision could be viewed as being in furtherance of that relationship with the custodian or sub-custodian. Such custody related FX services are subject to operational risk associated with performance of those services by the custodian or sub-custodian. The exchange

rates at which FX orders are executed through the account's custodian or its sub-custodian network may be less favourable to the Separately Managed Accounts than State Street IM could directly negotiate in the market with trading counterparties. For clients in EMEA, State Street IM may direct FX execution through SSBT as a custodian, although for regulatory purposes State Street IM does not direct trading through SSBT in the United States and certain other markets. Such transactions executed with the custodian or sub-custodian are executed at a rate determined solely by the custodian or sub-custodian without State Street IM monitoring or seeking to negotiate better rates. Accordingly, an account may not receive the best available rate for any particular currency transactions (i.e., a more favourable exchange rate may be available elsewhere).

For clients in EMEA, State Street IM may direct FX execution through SSBT as custodian.

#### *Use of electronic platforms*

Where State Street IM utilises electronic platforms (also referred to as "alternative trading systems" or "dark pools"), State Street IM conducts due diligence to confirm these execution venues satisfy our best execution policy. These platforms offer certain potential advantages over traditional securities exchanges, such as attractive fee structures, price improvements, faster processing speeds, and trading anonymity for institutional investors who need to trade large blocks of stock without causing markets to move against them. However, there can be no assurance that these advantages will be attained when using these platforms.

#### **Resolution stay/bail-in considerations**

Under applicable law or contractual provisions a client may, in certain situations, be prevented or delayed from exercising its rights to terminate a transaction entered into with a financial institution (including an affiliate of State Street IM) or from realising on any collateral under such transaction. Additionally, under applicable law, there may be a suspension of a financial institution's payment and delivery obligations under an investment or transaction or another institution may be substituted in place of the original financial institution without the consent of the client. Further, the client may be subject to "bail-in" risk under applicable law whereby, if required by the financial institution's applicable regulatory authority, the financial institution's liabilities could be written down, eliminated or converted into equity or an alternative instrument of ownership. A bail-in of a financial institution may result in a reduction in value of some or all of its securities and a client that holds such securities or has entered into a transaction with such a financial institution when a bail-in occurs also may be similarly impacted. Where applicable, State Street IM will, on behalf of clients for which it trades, contractually recognise the effectiveness of such laws.

#### **What is State Street IM's policy on side-by-side management?**

A portfolio manager may manage a Separately Managed Account or pooled investment vehicle that may have a performance-based fee and/or materially higher fee arrangements compared with another pooled investment vehicle or Separately Managed Account with which it is managed side-by-side. The side-by-side management of these accounts may raise potential conflicts of interest relating to cross trading, the allocation of investment opportunities and the aggregation and allocation of trades. Where State Street IM acts as investment manager it has a fiduciary responsibility to manage client accounts in a fair and equitable manner. It seeks to provide best execution of all securities transactions and to aggregate and then allocate orders in a fair and equitable manner. To this

end, and as discussed in more detail later in this brochure, State Street IM has developed policies and procedures designed to mitigate and manage the potential conflicts of interest that may arise from side-by-side management. In addition, State Street IM has adopted policies limiting the circumstances under which cross-trades may be effected between and among Pooled Funds and Separately Managed Accounts and designed to mitigate perceived or actual conflicts.

However, while we have developed policies and procedures generally intended to mitigate and manage the conflicts of interest that may arise, there can be no assurance that we will identify all conflicts of interest or that every actual or potential conflict of interest identified will be successfully mitigated or eliminated.

#### **What is State Street IM's policy on using commissions in respect of Separately Managed Accounts?**

Generally, State Street IM uses the same negotiated equity commission schedule with each broker per market/region and applies these to each account for which it trades.<sup>3</sup> State Street IM's negotiated equity commission rates are execution service rates and take into account considerations such as liquidity, market conditions and/or trading expertise needed to achieve execution. These negotiated equity commission rates do not take into account the value of any research received. Outside of its operations in EU and UK jurisdictions, State Street IM may periodically receive unpriced proprietary research from the broker-dealers it trades with on behalf of client accounts.

State Street IM pays for research consumed by its European based investment teams in accordance with MiFID II.

The receipt of research by State Street IM is not factored in the decision to trade with one broker-dealer over another. Except as described below with respect to State Street IM's Active Fundamental Equity business, State Street IM does not operate a soft dollar programme.

#### **What is State Street IM's Active Fundamental Equity Soft Dollar Programme?**

With respect to Separately Managed Accounts, Pooled Funds and other accounts managed or co-managed by its Stamford, Connecticut-based Active Fundamental Equity business, State Street IM uses "soft" or equity commission dollars for the purchase of third-party research permissible under Section 28(e) of the Securities Exchange Act of 1934, as amended (the "**Soft Dollar Programme**"). For accounts participating in the Soft Dollar Programme, a "tack on" rate is applied to generate soft dollar credits used by State Street IM to obtain research services for the benefit of such clients. The "tack on" rate is separate and distinct from the equity commission rates. Such third-party research typically includes, among other things, research reports and analysis, stock specific and sector research, market colour, market data and regulatory analysis.

State Street IM may decide to engage in other soft dollar or commission sharing arrangements in the future, subject to applicable law.

#### **What is State Street IM's policy on trading between accounts and funds managed by it?**

State Street IM believes it can be advantageous for clients to effect portfolio transactions in equities or fixed income securities between two eligible funds or

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<sup>3</sup> In certain situations, State Street IM may use a commission rate that is not on that schedule due to the circumstances (nature, timing, market dynamics) of the trade — for example, in the case of secondary offerings, short settling and/or block trades.

accounts managed by State Street IM. This type of trading in equities is referred to below as an **“Equity Internal Cross-Trade”** and in fixed income securities (where the trade is executed via a broker) is referred to below as an **“FI External Cross-Trade”**.

In an Equity Internal Cross-Trade or FI External Cross-Trade, one eligible fund or account managed by State Street IM buys an equity or fixed income (as applicable) instrument from or sells such an instrument to another eligible fund or account. Because the trading is effected by State Street IM, which has investment discretion over both parties, it involves a conflict of interest and the potential for one eligible fund or account to be advantaged over the other. However, such trading of portfolio securities between two eligible funds or accounts may result in more favourable outcomes for those funds and accounts.

Unless otherwise restricted in a Separately Managed Account client’s investment management agreement, State Street IM may enter into Equity Internal Cross-Trades and FI External Cross-Trades.

From time to time, certain eligible Separately Managed Account clients of State Street IM participating in crossing activity may also be transition management clients of SSBT.

State Street IM is not obligated to effect an Equity Internal Cross-Trade or an FI External Cross-Trade in every instance where it might be able to do so due to market conditions, regulatory limitations or other reasons in its discretion. State Street IM enters into Equity Internal Cross-Trades and FI External Cross-Trades in accordance with applicable laws and regulations.

#### Further information regarding Equity Internal Cross-Trades

Each Equity Internal Cross-Trade is priced using the closing market price for the traded equity security as determined by independent pricing sources.

In the event there are multiple buy or sell orders for the same equity security, State Street IM generally uses a pro-rata method to fill each Separately Managed Account’s order.

#### Further information regarding FI External Cross-Trades

FI External Cross-Trades are entered into using mid-market prices. The counterparty may incorporate a pre-arranged administration fee.

Alternatively, in certain situations, where the trader believes it to be consistent with best execution requirements, the trade may be effected on a net basis so that all of the funds or accounts participating in the sale or purchase of the security receive a bid or offer price, as applicable, as provided by the counterparty.

#### **How does State Street IM value portfolio instruments?**

State Street IM has established a policy and procedures governing the valuation of securities, derivatives, currencies and other investment instruments (collectively, “portfolio instruments”) held by the Separately Managed Accounts. State Street IM’s EMEA Valuation Committee oversees and implements State Street IM’s valuation policy and procedures in EMEA.

Portfolio instruments for which market quotations are readily available are valued at their market values using market quotations, official closing prices and/or

information provided by approved pricing sources approved by the EMEA Valuation Committee. The EMEA Valuation Committee performs a number of valuation control functions to assess the reasonableness of the prices received by the approved pricing sources, although there can be no guarantee that pricing sources will not make mistakes that the Committee fails to detect. In addition, account-specific valuation requirements in the respective Separately Managed Account documents are taken into consideration for valuation determinations.

#### *Fair value pricing*

If market quotations, official closing prices, and/or information furnished by approved pricing sources are not readily available or, in the opinion of the EMEA Valuation Committee, are deemed unreliable for a portfolio instrument, then that portfolio instrument will be valued at fair value as determined in good faith by the Committee in accordance with fair value pricing procedures. Fair value is generally determined as the amount that could reasonably be expected to be realised from an orderly disposition of a portfolio instrument over a reasonable period of time. By its nature, a fair value price is a good faith estimate of the valuation in a current sale and does not reflect an actual market price. Fair value pricing involves subjective judgements applied under then-current circumstances, and it is possible that the fair value determination for a portfolio instrument may be materially different from the value that could be realised upon the sale of the portfolio instrument. With regard to fair valuing fixed income instruments, fair value may consist of more than one valuation received from multiple approved pricing sources (i.e., pricing vendors and/or benchmark providers) where the prices received are within both the range of bid-ask spreads and the context of where market participants transact. Since State Street IM's fees and, if relevant, SSBT's fees as custodian for any applicable Separately Managed Accounts are based on the value of a Separately Managed Account's assets, State Street IM has an economic incentive to use higher valuations for fair valued instruments.

In certain situations, there will be different valuation determinations made for different clients with respect to the same instrument. For example, it is feasible for the EMEA Valuation Committee to determine a fair value for a portfolio instrument that differs from the fair value determined by a regional valuation committee located elsewhere (i.e., United States or Asia-Pacific) responsible for making valuation determinations for that region. In addition, for Separately Managed Accounts, State Street IM does not have primary valuation oversight responsibility; this responsibility lies with the client's custodian or other appointee.

#### **Does State Street IM have an anti-money laundering and sanctions compliance programme?**

State Street is committed to combating money laundering, terrorist financing, and other illicit financial activity (i.e. financial crimes) and complying fully with all applicable laws and regulations designed to combat money laundering in the jurisdictions in which it does business.

State Street is also committed to complying with economic and trade sanctions administered and enforced by governments and supranational bodies, including, among others, the sanctions programs and designated sanctions lists administered by the United States ("U.S.") Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the United Nations Security Council ("UN"), the European Union ("EU") and the United Kingdom ("UK").

State Street has a Global AML and Sanctions Compliance Programme (the "**AML and Sanctions Programme**") comprised of written anti-money laundering and sanctions policies, procedures, internal controls and systems designed to mitigate State Street's and State Street IM's exposure to anti-money laundering ("**AML**") and

sanctions risks. It includes guidelines and procedures reasonably designed for complying with the applicable regulatory requirements, including the conducting of Know Your Customer due diligence at the outset and periodically for the life of the client relationship, the screening of customers and transactions against sanctions and other watch-lists and the training of employees, as well as on-going transaction monitoring and the reporting of suspicious activities to appropriate law enforcement authorities. The AML and Sanctions Programme is overseen by State Street's designated Global Head of Financial Crimes and Anti-Money Laundering/ Countering the Financing of Terrorism Officer. On an on-going basis, the AML and Sanctions Programme is subject to independent testing to provide verification as to whether the AML and Sanctions Programme is operating effectively. Prior to the time of opening of a Separately Managed Account, clients are required to provide State Street IM with any information and organisational documentation State Street IM may require in order to identify a client pursuant to State Street IM's due diligence obligations under applicable law. State Street IM will not commence a relationship with any person or institution that it knows to be involved in such criminal activities or that does not provide the requisite documentation. Similarly, State Street IM will cease business with any existing client if it becomes aware that the client is involved in such criminal activities. State Street IM also has an obligation under applicable law to keep client files up to date and must cease business with any existing client that does not provide the required documentation within a reasonable timeframe.

The AML and Sanctions Programme is reasonably designed to help State Street and State Street IM meet their legal and regulatory requirements (not those of their customers and counterparties) concerning laws and regulations that sanction (i.e., prohibit or restrict) certain activities involving specified countries, entities, and parties, including in some cases prohibiting or restricting investments with respect to such countries, entities, and parties. Such prohibitions or restrictions apply not only with respect to State Street IM's investment activities for its own account or for the account of State Street (if any), but also with respect to its activities for the account of its clients. The AML and Sanctions Programme is routinely evaluated, updated and enhanced in order to reflect changes to business activities, as well as ensuring compliance with applicable supervisory standards and legal requirements. The AML and Sanctions Programme is approved by the State Street Board of Directors on an annual basis.

Additional information related to State Street's AML and Sanctions programs are published on State Street's website (AML Compliance | State Street).

### **Does State Street IM have a code of ethics?**

As a fiduciary, State Street IM has adopted a Code of Ethics, which is designed to ensure that the interests of State Street IM's clients are placed ahead of its own interests or those of its employees. To accomplish this, the Code of Ethics contains a number of requirements for State Street IM employees, including reporting and pre-clearance requirements and personal trading restrictions by employees and their dependent family members who live in the same household. State Street IM employees are required to report personal transactions and/or securities holdings in initial, quarterly and annual reports. The Code of Ethics contains a number of substantive trading restrictions that are either required by law or are generally accepted in the investment management industry. The State Street Conduct Risk Management Office is responsible for providing oversight for, and enforcing, the Code of Ethics, as well as reviewing violations of the Code of Ethics. It is unlawful for State Street IM or its employees to use material non-public information for manipulative, deceptive or fraudulent purposes, or to engage in market abuse activities.



State Street IM employees are also required to comply with the State Street Standard of Conduct, which is designed to protect the interests of State Street itself. These standards relate to employee conduct on business matters, such as confidentiality of client and firm information, accuracy and truthfulness of books and records, treatment of intellectual property, political contributions, outside business activities, gifts and entertainment, and compliance with laws and regulations. The Standard of Conduct also contains important provisions pertaining to insider trading and tipping off and supplements the State Street IM Inside Information/ Information Barriers Policy. The State Street IM Inside Information/Information Barriers Policy governs the receipt and communication of material, non-public information and prohibits the use of such information in violation of applicable securities laws.

Compliance with the Standard of Conduct and the Code of Ethics are conditions of employment at State Street IM. Employees are required to read and become familiar with the provisions of these policies and are periodically asked to certify compliance with each policy.

### **How would you describe State Street IM's compliance programme?**

State Street IM is committed to complying with laws, rules and regulations, and fiduciary and ethical standards governing its activities. Please see Section II for details of regulatory authorities that supervise State Street IM legal entities. State Street IM has established a compliance risk management programme ("**State Street IM Compliance Programme**") that is designed to protect the firm and to manage risk, make risk management a core competency of all employees, and drive and support a culture of compliance and risk excellence throughout the firm. The foundation of the State Street IM Compliance Programme is based in part upon the State Street Compliance Risk Management Framework, which utilises a "three lines of defence" model: (i) the First Line of Defence, comprised of business and functional units who perform the day to day operations or support activities of the firm; (ii) the Second Line of Defence comprised of Compliance and Risk teams; and (iii) the Third Line of Defence, comprised of Corporate Audit.

A key responsibility of Compliance in its role as the Second Line of Defence is to support the implementation of and execution of the State Street IM Compliance Programme in the following areas: Risk Identification and Regulatory Obligations, Risk Assessment, Risk Mitigation and Monitoring and Risk Reporting. State Street IM Compliance provides an ongoing independent and critical assessment of the First Line of Defence efforts to manage compliance risks. To inform this assessment, State Street IM Compliance has a number of responsibilities, including monitoring the external environment for regulatory developments and peer events, monitoring the internal environment to assess governance, tone at the top, and the design/execution on internal controls, informing the First Line of Defence about relevant compliance risks, identifying control gaps, assisting the First Line of Defence with remediation efforts, and influencing First Line of Defence decision making.

State Street IM maintains a comprehensive governance structure to oversee risk and facilitate effective management oversight of State Street IM's various business functions. State Street IM's governance structure is designed to ensure that the firm's governance committees are operating effectively, making decisions that support the firm's fiduciary duties, and providing a forum for escalation, challenge, discussion and resolution. The structure also supports the firm's objectives to advance a culture of risk excellence, identify and minimize risks within its businesses, and deliver results that incorporate high ethical standards.

Compliance representatives actively participate in the majority of State Street IM's governance committees. Compliance participation in State Street IM's governance structure is deemed critical to State Street IM's overall compliance risk management strategy, as it enables Compliance to influence the firm's decision-making processes and allows Compliance to directly assess the overall effectiveness of the firm's governance structure. State Street IM has also developed policies and procedures reasonably designed to prevent, detect, and correct violations of applicable laws and regulations, and that guide employees in seeking to meet our fiduciary duties to our clients and other regulatory requirements. There is no assurance however, that these compliance policies and procedures will be effective.

State Street IM Compliance, a department within the State Street Corporation Compliance Department, is led by State Street IM's Chief Compliance Officer ("CCO"). State Street IM Compliance is supported by State Street Corporate Compliance teams that provide services including monitoring and testing of key controls and processes. Financial Crimes and Sanctions compliance (e.g., anti-money laundering, know your customer, financial investigations, sanctions), Conduct Risk Management, Compliance Programme Methodology Privacy, and other bank-related and/or transversal risks. These teams provide support to all divisions and/or affiliates of State Street and work closely with State Street IM Compliance to ensure that asset management compliance requirements are considered and adequately incorporated into the State Street Corporate Compliance teams' programs.

#### **What insurance does State Street IM maintain?**

State Street IM, under State Street's global insurance policies, maintains a comprehensive insurance programme designed to mitigate material risks faced by the firm in the ordinary course of its business. If you require further information regarding State Street IM's insurance coverage, please ask your State Street IM relationship management team contact for a copy of our Memorandum of Insurance, which furnishes a brief outline of the insurance coverage currently in force.

#### **Are there additional conflicts of interest that arise in connection with State Street IM's management of Separately Managed Accounts?**

State Street IM and its affiliates comprise a global financial services company, offering a variety of services to many different clients. Although there is no obligation to offer all investment strategies and services/ investment vehicles to all eligible clients, the offering of a variety of services creates the potential for conflicts to arise in connection with State Street IM's management of Pooled Funds or Separately Managed Accounts. Where a conflict arises between State Street IM and a client, or between or among different clients, State Street IM will, in accordance with applicable law and regulation, seek to manage the conflict fairly and make appropriate disclosures to its clients.

The following does not purport to be a comprehensive list or complete explanation of all actual or potential conflicts of interest, and State Street IM and/or its affiliates may encounter circumstances, or enter into transactions, in which conflicts of interest that are not listed or discussed herein may arise. Further details of certain situations that we have identified in which we believe conflicts may arise are also set forth elsewhere in this brochure. Your use of the services offered by State Street IM will be deemed to constitute your consent for State Street IM to provide such services to you even though actual or potential conflicts of interest identified in this brochure exist in relation to the services.

### ***Conflicts arising from transactions and relationships with affiliates.***

- ***Provision of services by State Street IM or its affiliates.*** State Street IM or its affiliates may provide services to a Pooled Fund or Separately Managed Account client, including investment management, securities lending agency services, custodial, administrative, bookkeeping, and accounting services, transfer agency and shareholder servicing, transition management and other services, for which the Pooled Fund or Separately Managed Account client compensates State Street IM and/or its affiliates. The services provided or the rates at which the Pooled Fund or Separately Managed Account client pays fees or expenses to State Street IM or its affiliates for providing such services, may not be the most favourable rates available in the market generally or as favourable as the rates State Street IM or its affiliates make available to other clients. As a result, the cost or quality of the services provided to the Pooled Fund or Separately Managed Account may be less favourable than if a third-party service provider had been selected on arm's length terms to provide the same services.

While State Street IM is a fiduciary in its capacity as the investment manager of the Separately Managed Accounts, neither State Street IM nor its affiliates act as a fiduciary in connection with the provision of other services to the Separately Managed Accounts, including as custodian. Clients should consult with their legal, fiduciary, consultant, tax and other advisers in understanding and evaluating the implications of State Street IM or its affiliates providing other services to the Separately Managed Accounts.

Due to its financial interest, State Street IM may have an incentive to enter into transactions or arrangements on behalf of a Separately Managed Account or Pooled Fund with affiliates, or to suggest that a Separately Managed Account client or (in the case of an investor dedicated Pooled Fund) a Pooled Fund participant consider using an affiliate of State Street IM to provide services to the Separately Managed Account or Pooled Fund participant, in circumstances where State Street IM might not have done so in the absence of that interest. Such circumstances include, but are not limited to, the provision of custody services, the provision of transition management services, and securities lending. Except in cases where State Street IM has been appointed to provide an investment solution for a client's total portfolio, made on the basis of that client's investment goals and investment risk tolerance, State Street IM is not acting in a fiduciary capacity when making such suggestions or recommendations to Pooled Fund participants or Separately Managed Account clients.

- ***Entering into portfolio transactions with affiliates.*** State Street IM enters into portfolio transactions with one or more of its affiliates (which may be acting as principal) on behalf of Pooled Funds or Separately Managed Accounts, including portfolio transactions relating to the purchase or sale of securities, as well as derivative transactions, foreign exchange transactions, repurchase agreements, and/or other transactions. Where an affiliate of State Street IM acts as counterparty or broker in such transactions, that affiliated entity will benefit from a commission, fee, spread, mark-up or mark-down payable by the Pooled Fund or Separately Managed Account or otherwise received in connection with each such transaction. Due to its financial interest, State Street IM has an incentive to enter into portfolio transactions with its affiliates on behalf of a Pooled Fund or a Separately Managed Account. Where State Street IM enters into portfolio transactions with an affiliate, the affiliate may have, and thus trade based on, information that is not disclosed to State Street IM or the client. In addition, an affiliate does not have to consider the interests

of the Pooled Funds or Separately Managed Accounts when trading, and thus the affiliate may trade in a manner different from the manner in which State Street IM would trade. In some cases, in which an affiliate acts as counterparty in a portfolio transaction on behalf of Pooled Funds or Separately Managed Accounts, such Funds or Accounts may be exposed to credit and liquidity risk related to State Street as a result of those transactions.

- **Custody arrangements.** Actual and potential conflicts of interest arise if SSBT, or another State Street affiliated entity, provides custodial services to your Separately Managed Account or in respect of a Pooled Fund.
- **Cash balances held in cash sweep funds.** Cash balances held by a Pooled Fund with a State Street group custodian entity may be invested in a cash sweep fund managed by State Street IM or an affiliate of State Street IM in accordance with the Pooled Fund's governing documents. The State Street custodian entity derives revenue from such reinvestment, and State Street IM (or an affiliate) will receive payment for providing services to such Pooled Fund, including the assets in the cash sweep fund. In addition, on any given day, there may be uninvested cash held by a Pooled Fund or a Separately Managed Account in custodial demand deposit accounts ("**DDA**").

In connection with DDAs, the State Street group custodian entity, its deposit-taking affiliate or the relevant sub-custodian (together referred to as "Custodian" in this section) acts as banker and not as fiduciary or trustee, and the Pooled Fund or Separately Managed Account is an unsecured creditor of the Custodian. Further, unlike securities, the cash is not segregated from the proprietary assets of the Custodian. The cash deposited becomes an asset of the Custodian accepting the deposit, which has an obligation to repay that amount, adjusted for interest and reduced by any amounts owing by the Pooled Fund or the Separately Managed Account.

In such circumstances, the Custodian accepting the deposit may invest or use such cash in a manner determined by it to be in its best interest, which may include, without limitation, retaining any profits (or bearing any losses) on such investments or applying such cash deposits towards compliance with applicable regulatory requirements (e.g. liquidity and capital) and may do so without any regard to the interests of any client, including the Pooled Fund or, in the case of a Separately Managed Account, the client. The cash deposits may be held in interest bearing or non-interest bearing DDAs.

For interest bearing DDAs, the Custodian, acting for its own interest, establishes the interest rate to be applied to the cash deposits, and that rate may be positive, zero or negative depending on market conditions and other circumstances. Not all clients of the Custodian receive the same interest rates, even in circumstances where they have similar balances or currencies. The interest rates paid or charged by the Custodian on cash deposits will likely not be the most favourable rates in the market.

If the account of the Pooled Fund or Separately Managed Account is overdrawn, the Custodian (or sub-custodian, as applicable) will charge interest at such rate as the Custodian (or sub-custodian) determines in its sole discretion, subject to applicable regulations. The rate of interest charged on overdrafts is likely higher than the rate of interest applied to the cash deposits in the same currency.

In addition to investing cash deposited by the Pooled Fund or Separately Managed Account and profiting from investment of that cash, the Custodian

may impose fees and other charges in connection with maintaining the DDAs or providing related services and may otherwise profit from its deposit-taking activities.

The Custodian has rights such as set off and other remedies that it will exercise in its own economic self-interest.

As with other deposit-taking institutions, funds that are deposited with the Custodian will be exposed to credit risk. For example, a bank, including SSBT, that may hold your cash balances has an obligation to repay such cash balances but may fail to do so. The credit risk posed by each bank varies depending upon the financial condition of the bank and the applicable insolvency laws. If a client's cash balances are deposited with SSBT, the client becomes a creditor of SSBT, and it is exposed to the credit risk of SSBT. The Custodian may earn a profit on "float income". This "**float**" arises if: (a) funds are received by the Custodian for the account of the Pooled Fund or the Separately Managed Account before the time at which the amount is credited to that account (e.g., funds for deposit in an account are received after a certain cut-off time in the day and thus the amount is not credited to the account until the next business day); or conversely, (b) funds remain held by the Custodian after the time at which the amount is debited to the account (e.g., funds are deducted from an account after the applicable cut-off time for transfer to the designated transferee and thus the transfer does not occur until the next business day). Such float income is retained by the Custodian and not shared with the Pooled Fund or Separately Managed Account.

If a Separately Managed Account client has a custody relationship with a State Street group custodian entity, then the client (and not State Street IM) engages directly with such entity regarding the rates, fees and charges and other terms of the custody arrangement. For additional information regarding cash deposits and other matters, including actual and potential conflicts of interest arising under custody arrangements with the Custodian, please contact your State Street IM relationship manager.

- **Aggregation of investments.** State Street IM may, from time to time, aggregate orders with our affiliates' proprietary accounts (trading accounts that are managed by State Street IM but owned by a State Street affiliate in its principal capacity and traded for State Street's proprietary benefit). In these situations, State Street IM and its affiliate will obtain benefits that are incidental to the aggregation itself (for example, lower per unit transaction costs). State Street IM will not aggregate orders with orders of other accounts if State Street IM obtains any benefit other than those that are incidental to the aggregation itself.
- **Investments in affiliated funds or affiliated securities.** State Street IM may invest on behalf of a Separately Managed Account or Pooled Fund in a pooled fund for which State Street IM or an affiliate is the manager or otherwise provides services. In such a situation, State Street IM or an affiliate receives a fee such as an investment management fee, custody and/or administration fee or other benefit for providing services in respect of that pooled fund, which may be higher than what unaffiliated parties would charge. Similarly, the terms on which State Street IM invests in such a pooled fund may, in some instances, not be as favourable as what would be available to unaffiliated parties. Additionally, in a manner consistent with applicable regulations, and to the extent permitted by internal policies, State Street IM may invest on behalf of a Separately Managed Account or Pooled Funds in shares of State Street Corporation which may support overall demand for those shares and their share price.

- ***Investments in securities for own account.*** State Street IM and its affiliates may invest for their own accounts in various securities of an issuer, or various tranches of such securities, with rights that are senior to, pari passu with, or junior to, or result in interests different from or adverse to, those of securities owned by Pooled Funds or Separately Managed Account clients. Similarly, State Street IM and its affiliates may have significant credit exposure to the same counterparties as those with which State Street IM enters into transactions for its Pooled Funds or Separately Managed Account clients. In the case of a default or failure of an issuer or counterparty, State Street IM and its affiliates may have rights and benefits that are senior to, and more advantageous than, those of State Street IM's Pooled Funds or Separately Managed Account clients. State Street and State Street IM have in place information walls that limit the amount of investment information that can be shared across the various divisions and business lines of State Street and its affiliates. As a general matter, State Street IM does not engage in investment activities for proprietary accounts of its affiliates however affiliates of State Street IM may engage in investment activities for proprietary accounts with respect to proprietary seed capital investments made in our new products and hedging activities related thereto. In making investments or seeking remedies when acting in a non-fiduciary capacity (i.e., in a capacity other than that of trustee and investment manager of the Pooled Funds or investment manager of the Separately Managed Accounts), State Street IM and its affiliates will in certain circumstances act in their own economic self-interest, which could adversely affect client accounts. State Street IM may take action in the performance of its duties with respect to any of its other clients that differ from the action taken with respect to any of the Pooled Funds or Separately Managed Accounts or the timing or nature of such action taken with respect to those investment vehicles, provided, however, that investment opportunities and sales among clients or a class of clients are allocated in a manner that is fair and equitable in the judgement of State Street IM.
- ***Potential conflicts of interest relating to commission sharing/equivalent programme.*** To the extent that State Street IM obtains research through a commission sharing/equivalent programme, State Street IM will benefit because it will not have to pay for those services or incur any costs to develop the research.

State Street IM has made the decision to absorb the cost of external research consumed by its European based investment teams under MiFID II. Please refer to the above section titled "*What is State Street IM's policy on using commissions in respect of Separately Managed Accounts?*" for further information.

- ***Participation in various boards.*** Subject to applicable law and regulation, members of an State Street IM or affiliated entity board may also be on the board of other State Street IM or affiliated entities. By way of example, directors on the board of an State Street IM- managed fund may also be directors on the board of affiliates of State Street IM, that may provide services to a Pooled Fund or otherwise enter into transactions with a Pooled Fund. State Street IM entity board members or affiliated entity board members may also have outside employment and business interests. Multiple board services or outside business activities may create potential to take actions that favour one client over another, or a third party over a client. All State Street employees, including executive board members (other than independent directors), are subject to the State Street Outside Activity Policy, and are required to disclose and/or

receive pre-approval from the State Street Conduct Risk Management team prior to undertaking certain external positions.

- **Ownership interest in a service or technology provider (e.g. Charles River Development) or other entity.** State Street IM and/or its affiliates may have an ownership or other interest in, or contractual arrangements with or relating to, service or technology providers, sub-advisers, or other entities regarding the following (without limitation): alternative trading systems, transaction crossing systems and other trading platforms and routing systems, document and data repositories, and securities lending operations. Any such interest may become more valuable as a result of the use of the service and/or technology provided, including as a result of Pooled Funds or Separately Managed Accounts making a payment to State Street IM and/or its affiliates in order to use such service and/or technology. State Street IM's and/or its affiliates' financial interest in a particular entity could cause State Street IM or its affiliates to use the services of that entity even where more qualified or less expensive providers are available.
- **Provision of services by State Street IM to its affiliates.** *State Street IM may provide services to non-State Street IM affiliated entities within the State Street group of companies. State Street IM may receive information of a confidential or non-public nature in connection with the provision of such services. State Street IM has information barriers relating to receipt of such confidential information which are designed to mitigate conflicts risk.*

**Conflicts arising from the services State Street IM and its affiliates provide to other clients.**

Conflicts may arise because of the various services that State Street IM or its affiliates provide to other Separately Managed Account clients, Pooled Funds and other clients (referred to together in this section as "clients").

State Street IM and its affiliates perform a variety of services (including without limitation investment management, advisory, custody, administration, securities lending, enhanced custody, tax, and accounting) for various clients. Each of State Street IM and its affiliates may take actions in the performance of its duties with respect to any one client that differ from actions taken with respect to another client. State Street IM and its affiliates are not obligated to treat all clients the same, which may result in some clients benefiting in ways that others do not.

Certain State Street IM portfolio managers manage other types of funds and accounts, including mutual funds, actively managed accounts that are considered "hedge" funds, market neutral funds, and funds that engage in short sales. Conflicts of interest may arise in State Street IM's side-by-side management of multiple accounts because there may be financial or other incentives for State Street IM to favour one account over another in the allocation of investment opportunities. As discussed in more detail below, examples of circumstances that may give rise to such conflicts of interest or the appearance of conflicts of interest include, but are not limited to:

- managing a portfolio that pays a performance fee alongside a portfolio that does not pay a performance fee;
- managing ETFs, Pooled Funds or Separately Managed Accounts alongside one another;

- the use of “conflicting trades”, i.e., selling short for one client portfolio a security held active long for another client portfolio;
  - management of accounts for which fee schedules differ - whether or not such differences are performance based; and
  - the execution of transactions shortly before or after related transactions in a different account.
- ***Investments in securities for different clients.*** State Street IM may enter into transactions with counterparties on behalf of its clients while an affiliate of State Street may be simultaneously entering into transactions with the same counterparties on behalf of State Street or its own clients, whose interests may not be aligned with those of State Street IM’s clients. Affiliates of State Street IM may act as, among other things, a futures commission merchant, research provider, lender, trader, or clearing broker. In those and other capacities, State Street, its directors, officers, employees and affiliates may take or hold positions in, or advise other clients and counterparties concerning, or publish research or express a view with respect to, a security that may be the subject of advice from State Street IM to a client. When State Street and its affiliates act in these other capacities, their actions and advice are independent of the relationship that clients have with State Street IM.

State Street IM or its affiliates may invest in different parts of an issuer’s capital structure for different clients, which may result in conflicts of interest between clients in certain circumstances. For example, one or more Pooled Funds and/or Separately Managed Account clients may own senior debt obligations of an issuer, and other clients may own junior debt of the same issuer. Similarly, different clients may invest in different tranches of the same structured financing vehicle. In such circumstances, decisions made in a fiduciary capacity for the benefit of one client or account about whether to trigger an event of default, or about the terms of any workout may result in other clients receiving a less favourable outcome than others.

- ***Acting as investment manager for different clients.*** State Street IM may give investment advice in respect of a client that is different from investment advice given by State Street IM or an affiliate of State Street IM to another client. For example, State Street IM provides asset allocation advice through its Investment Solutions Group which includes State Street IM’s internal outsourced investment manager team, to some clients that may include a recommendation to invest in or redeem from a fund or investment strategy while not providing that same recommendation to other similarly situated clients invested in the same or similar fund or strategy. State Street IM has adopted policies and procedures related to the Investment Solutions Group to be followed by State Street IM personnel, which are designed to mitigate the potential conflicts of interest this solutions oriented business model presents when managed side-by-side with single-strategy investment groups.
- ***Aggregation of investments across client accounts.*** State Street IM may identify investment opportunities that are appropriate for two or more clients managed by State Street IM. In such circumstances, State Street IM may, to the extent permitted by applicable law and any contractual obligations, attempt to aggregate orders for such investment opportunity. In determining whether or not the order for an investment opportunity will be aggregated, State Street IM takes into account the size and nature of the aggregated investment opportunity as well as such other factors as State Street IM determines are appropriate under the circumstances. However, State Street IM is under no obligation to aggregate investments.



- **Allocation of investment opportunities.** As State Street IM and its affiliates perform investment management and advisory services for various clients, conflicts may arise in circumstances where the availability of investment opportunities is limited. As a general rule, State Street IM will allocate investment opportunities among participating client accounts pro rata by order size, which State Street IM has discretion to determine.

In certain cases, State Street IM may be required by regulators or market practice to aggregate holdings or positions held by State Street IM and its affiliates with those held on behalf of client accounts. The existence of such aggregated holdings or positions could potentially limit investment opportunities available to a client and could affect tracking or performance. The effect of aggregation may operate to the advantage or disadvantage of a client in relation to a particular order, depending upon the circumstances. There also may be regulatory limits, including, for example, position limits on futures exchanges.

State Street IM may choose to allocate trade opportunities differently for similarly managed accounts within an investment strategy if the accounts have different investment guidelines and/or restrictions requiring tailored orders to be created. These restrictions and guidelines may include, among other things, client sensitivities on liquidity, turnover, security limitations, country limitations, tax concerns, or broker restrictions.

There can be no assurance that an investment opportunity that comes to the attention of State Street IM will be allocated to a particular client account and/or in any particular amount. Further, a client account may only be authorised to participate to a limited extent in such investment opportunity.

- **Provision of services.** State Street IM provides a different level of service to some clients than to others depending upon factors such as the overall size of the relationship, the type of client and the nature of the relationship.

#### ***Other actual and potential conflicts of interest***

**Protecting the reputation of State Street IM and State Street.** State Street IM may restrict its investment decisions and activities on behalf of the Pooled Funds or with respect to a Separately Managed Account as a result of the potential adverse impact an investment decision or activity may have on the reputation of State Street IM or State Street. State Street IM may decide, in its discretion, not to engage in a transaction for a Pooled Fund or Separately Managed Account due to consideration of other activities of State Street IM or State Street. For example, State Street IM could choose not to engage in a particular transaction: (1) where State Street IM provides services to a Pooled Fund or client involved in a transaction and another State Street affiliate is engaged in the same or a related transaction to the one being considered on behalf of the Pooled Fund or State Street IM client; (2) where a State Street affiliate has an interest in an entity involved in such transaction; or (3) where the transaction in respect of the Pooled Fund or State Street IM client account could adversely affect State Street IM, State Street, or their activities. State Street IM could also choose to restrict its investment decisions and activities on behalf of the Pooled Funds or with respect to a Separately Managed Account based on considerations relating to State Street IM's and/or State Street's business risk appetite.

In addition, State Street does not disclose its view of, or its decisions relating to, the creditworthiness of third parties with which it may enter into transactions.

Consequently, it is possible that State Street might be reducing its exposure to certain issuers or counterparties at the same time that State Street IM is increasing or maintaining client exposure to such issuers or counterparties.

- **Payment of compensation to employees.** State Street IM's employees may, in accordance with applicable law and regulation, receive compensation that is based upon their performance in managing a Pooled Fund or Separately Managed Account.

As discussed above, a potential conflict arises when a portfolio manager is responsible for accounts that have different investment management and advisory fees. The difference in fees could create an incentive for the portfolio manager to favour one account over another, for example, in terms of access to investment opportunities in an effort to increase the portfolio manager's own compensation. This conflict may be heightened if an account is subject to a performance-based fee. For more information regarding how we seek to mitigate this potential conflict of interest, please see the section entitled "Allocation of investment opportunities".

In addition, State Street offers a global business referral award programme that provides incentive awards to employees for efforts in identifying and developing new business with new and existing clients. Non- State Street IM employees of State Street at certain levels are eligible to receive an incentive award for introducing a prospective client to State Street IM for the provision of investment management services if the client subsequently opens an account with State Street IM. In addition, State Street IM employees at certain levels are eligible to receive an incentive award for the referral of new business to other divisions of SSBT, including State Street Markets, State Street Investment Services, and State Street Global Exchange. The availability of referral awards may incentivise employees to make referrals to State Street IM or its affiliates even where a given service could have been provided differently or more inexpensively by a third party. State Street IM and its employees who perform sales-related functions have an incentive to acquire and engage new client accounts on terms favourable to State Street IM.

- **Availability of information.** State Street has a number of policies and procedures in place that seek to manage the sharing of information within State Street. These policies and procedures include the use of information barriers and measures to segregate duties in an effort to negate, mitigate or prevent conflicts of interest. Consequently, other parts of State Street, including the treasury business line, may have access to information about State Street IM clients or investments that is not available to State Street IM. It is therefore possible that State Street IM will, in certain instances, make investment decisions without the benefit of information held by its affiliates that would have caused State Street IM to make a different decision, such as disposing of, retaining, or increasing a position in a financial instrument, which would have been to the benefit of a client or Pooled Fund. State Street and its affiliates will be under no duty to make any such information available to you, except to the extent that we have agreed in writing to make it available or as may be required under applicable law.

While State Street IM has developed policies and procedures generally intended to mitigate and manage the conflicts of interest that may arise from its investment activities on behalf of clients, there can be no assurance that State Street IM will identify all conflicts of interest or that every actual or potential conflict of interest identified will be successfully mitigated or eliminated.

## **What are State Street IM's policies and procedures relating to business conduct?**

State Street IM employs a number of policies, guidelines and procedures reasonably designed to assist in the managing of specific conflicts of interest. These include:

- The “*State Street IM Global Proxy Voting and Engagement Principles*” and the related “*Managing Conflicts of Interest Arising from State Street Global Advisors’ Proxy Voting and Engagement Activity*”, which provides specific guidance on managing the conflicts of interest that may arise through State Street IM’s proxy voting and engagement activities.
- The State Street IM Code of Ethics, which governs employees’ personal trading activities, and provides, among other things, that each employee has a duty at all times to place the interests of State Street IM’s clients first.
- State Street IM’s policies and procedures regarding trade allocation, IPO allocations and internal cross trading, which are designed to provide for the fair and equitable execution of transactions for all State Street IM clients participating in such trades.
- State Street IM’s Directed Brokerage Policy, which requires, among other things, that clients who request trades be directed to specific brokers do so in writing.
- State Street IM’s Principles of Investment Management Manual, which contains the firm’s policy on side-by-side management and addresses how State Street IM seeks to mitigate conflicts that could arise from the simultaneous management of multiple accounts by State Street IM’s and its affiliates’ investment professionals.
- State Street IM’s Trade Aggregation and Allocation (including IPOs and Secondary Offerings) Policy, which describes how State Street IM seeks to allocate investments in a manner that treats all accounts fairly, equitably, and not to the overall disadvantage or detriment of the accounts over time according to State Street IM’s procedures established prior to the execution of trades with respect to such investments.

State Street IM employs a variety of mechanisms designed to manage identified conflicts of interest that it has deemed material, including: (1) disclosing such conflicts of interest to clients; (2) implementing policies, procedures and controls; and (3) monitoring for ongoing compliance with those policies, procedures and controls. State Street IM also maintains a register of conflicts of interest, which documents the identification, monitoring and mitigation of conflicts at State Street IM. This register is reviewed periodically and updated as necessary to reflect changes in the regulatory environment and State Street IM’s business.

In addition, State Street IM has put in place a framework that establishes guidelines for State Street IM personnel to follow in order to address and manage potential conflicts of interest involving the Investment Solutions Group, which includes both State Street IM’s internal advisory group as well as State Street IM’s internal team that provides outsourced investment management services. This framework has resulted in separating the Investment Solutions Group from other areas of State Street IM in an effort to mitigate the potential conflicts of interest this business model may present when managed side by side with State Street IM’s other portfolio management teams.

While we have developed policies and procedures and controls generally intended to mitigate and manage the conflicts of interest, risks, and regulatory, legal and client contractual requirements that may arise, there can be no assurance that every actual or potential conflict of interest identified will be successfully mitigated or eliminated. Further, while we have attempted to identify in this document the material risks and conflicts of interest associated with the provision of services by State Street IM and its affiliates, we may have failed to identify all such risks and conflicts of interest. In addition, other risks and conflicts of interest may arise in the future.

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## About State Street IM

Our clients are the world's governments, institutions and financial advisors. To help them achieve their financial goals we live our guiding principles each and every day:

- Start with rigor
- Build from breadth
- Invest as stewards
- Invent the future

For four decades, these principles have helped us be the quiet power in a tumultuous investing world. Helping millions of people secure their financial futures. This takes each of our employees in 29 offices around the world, and a firm-wide conviction that we can always do it better. As a result, we are the world's fourth-largest asset manager\* with US \$4.13 trillion<sup>†</sup> under our care.

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\* Pensions & Investments Research Center, as of December 31, 2022

<sup>†</sup> This figure is presented as of 31 December 2023 and includes approximately US \$ 64.44 billion of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC ("SSGA FD") acts solely as marketing agent; SSGA FD and State Street IM are affiliated. Please note all AUM is unaudited.

## State Street Global Advisors Worldwide Entities

**Australia:** State Street Global Advisors, Australia, Limited (ABN 42 003 914 225) is the holder of an Australian Financial Services Licence (AFSL Number 238276). Registered office: Level 14, 420 George Street, Sydney, NSW 2000, Australia T: +612 9240 7600. F: +612 9240 7611.

**Belgium:** State Street Global Advisors Belgium, Chaussée de La Hulpe 185, 1170 Brussels, Belgium. T: 32 2 663 2036. SSGA Belgium is a branch office of State Street Global Advisors Europe Limited, registered in Ireland with company number 49934, authorised and regulated by the Central Bank of Ireland, and whose registered office is at 78 Sir John Rogerson's Quay, Dublin 2.

**Canada:** State Street Global Advisors, Ltd., 1981 McGill College Avenue, Suite Montreal, Quebec, H3A 1G1, T: +514 282 2400 and 30 Adelaide Street East Suite 500, Toronto, Ontario M5C 3G6. T: +647 775 5900.

**France:** State Street Global Advisors Europe Limited, France Branch is a branch of State Street Global Advisors Europe Limited, registered in Ireland with company number 49934, authorised and regulated by the Central Bank of Ireland, and whose registered office is at 78 Sir John Rogerson's Quay, Dublin 2. State Street Global Advisors Europe Limited, France Branch, is registered in France with company number RCS Nanterre 899 183 289 and its office is at Coeur Défense - Tour A - La Défense 4, 33e étage, 100, Esplanade du Général de Gaulle, 92 932 Paris La Défense Cedex, France. T: (+33) 1 44 45 40 00. F: (+33) 1 44 45 41 92.

**Dubai:** State Street Global Advisors Limited, DIFC Branch, is a branch of State Street Global Advisors Limited, registered under registered number 7910, Central Park Towers, Office Tower OT 01-39 (1st floor) – DIFC, P.O. Box 507448, Dubai (United Arab Emirates). Regulated by the Dubai Financial Services Authority. T +97147761600

**Germany:** State Street Global Advisors Europe Limited, Germany Branch is a branch of State Street Global Advisors Europe Limited, registered in Ireland with company number 49934, authorised and regulated by the Central Bank of Ireland, and whose registered office is at 78 Sir John Rogerson's Quay, Dublin 2. State Street Global Advisors Europe Limited. The Germany branch is registered with the Register of Commerce Munich HRB 266158 with its registered office at Briener Strasse 59, D-80333 Munich. T: +49 (0)89 55878 400. F: +49 (0)89 55878 440.

**Hong Kong:** State Street Global Advisors Asia Limited, 68/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. T: +852 2103-0288. F: +852 2103 0200.

**Ireland:** State Street Global Advisors Europe Limited is regulated by the Central Bank of Ireland. Registered office address 78 Sir John Rogerson's Quay, Dublin 2. Registered number 49934. T: +353 (0)1 776 3000. F: +353 (0)1 776 3300.

**Italy:** State Street Global Advisors Europe Limited, Italy Branch (Sede Secondaria di Italia) is a branch of State Street Global Advisors Europe Limited, registered in Ireland with company number 49934, authorised and regulated by the Central Bank of Ireland, and whose registered office is at 78 Sir John Rogerson's Quay, Dublin 2. State Street Global Advisors Europe Limited. The Italy Branch (Sede Secondaria di Italia), is registered in Italy with company number 11871450968 - R.E.A. 2628603 and VAT number 11871450968 and its office is at Via Ferrante Aporti 10, 20121 Milano, Italy. T: +39 02 32066 100. F: +39 02 32066 155.

**Japan:** State Street Global Advisors (Japan) Co., Ltd., Toranomon Hills Mori Tower 25F 1-23-1 Toranomon, Minato-ku, Tokyo 105-6325 Japan, T: +81-3-4530-7380 Financial Instruments Business Operator, Kanto Local Financial Bureau (Kinsho #345), Membership: Japan Investment Advisers Association, The Investment Trust Association, Japan, Japan Securities Dealers' Association.

**Kingdom of Saudi Arabia:** State Street Saudi Arabia Financial Solutions, a closed joint stock company under Commercial Registration number 1010637423 18th Floor, KAFD Tadawul Tower 9th Floor, Al Ageeq District, Riyadh, Saudi Arabia Authorised and regulated by the Capital Market Authority of Saudi Arabia. T+966 11490 3886

**Netherlands:** State Street Global Advisors Netherlands, Apollo Building, 7th floor Herikerbergweg 29 1101 CN Amsterdam, Netherlands. T: 31 20 7181000. SSGA Netherlands is a branch office of State Street Global Advisors Europe Limited, registered in Ireland with company number 49934, authorised and regulated by the Central Bank of Ireland, and whose registered office is at 78 Sir John Rogerson's Quay, Dublin 2. **Poland:** State Street Global Advisors Europe Limited, Poland Branch, BIG office building, Generała Bohdana Zielińskiego 3, 30-320 Kraków, Poland, T: 48 12 201 6000, F: 48 12 201 6001. SSGA Poland is a branch office of State Street Global Advisors Europe Limited, registered in Ireland with company number 49934, authorised and regulated by the Central Bank of Ireland, and whose registered office is at 78 Sir John Rogerson's Quay, Dublin 2.

**Singapore:** State Street Global Advisors Singapore Limited, 168, Robinson Road, #33-01 Capital Tower, Singapore 068912 (Company Reg. No: 200002719D, regulated by the Monetary Authority of Singapore). Telephone: +65 6826 7555. F: +65 6826 7501.

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**Switzerland:** State Street Global Advisors AG, Beethovenstr. 19, CH-8027 Zurich. Registered with the Register of Commerce Zurich CHE-105.078.458. T: +41 (0)44 245 70 00. F: +41 (0)44 245 70 16.

**United Kingdom:** State Street Global Advisors Limited. Authorised and regulated by the Financial Conduct Authority. Registered in England. Registered No. 2509928. VAT No. 5776591 81. Registered office: 20 Churchill Place, Canary Wharf, London, E14 5HJ. T: 020 3395 6000. F: 020 3395 6350.

**United States:** State Street Global Advisors, One Iron Street, Boston MA 02210.

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