
RESPONSIBLE INVESTING POLICY

Purpose and Scope

At AlphaSimplex our purpose is to deliver investment success and positively impact clients and colleagues by embracing a thoughtful culture of innovation, collaboration, and excellence.

We recognize that Environmental, Social, and Governance (ESG) considerations may not be applicable to all investment approaches. However, AlphaSimplex believes the incorporation of ESG policies and oversight is a potential opportunity for research and development that can help deliver investment success and positively impact clients and colleagues. Furthermore, it is a natural extension of our core values of innovation, integrity, transparency, and valuing our clients and colleagues. Given that many of our strategies invest only in liquid futures and forward contracts, and utilize indices rather than individual securities, ESG/responsible investing in the traditional sense is not an option. However, AlphaSimplex is committed to valuing our clients and integrity and we believe it is aligned with our purpose and core values to research opportunities that incorporate ESG into our investment process while following specific investment guidelines and/or investor constraints. This Responsible Investing Policy describes AlphaSimplex's approach to responsible investing and the application of the policy to our investment strategies and overall business.

Investment Philosophy

The philosophy that informs the development of all of AlphaSimplex's strategies is based on the Adaptive Markets Hypothesis (AMH). An innovative theory of market behavior, the AMH recognizes that financial markets are neither always efficient nor always irrational, but they are highly competitive and adaptive. As a result, market conditions are ever-changing; market volatility, risk premia, and cross-asset correlations are not static. The implication is that investment strategies must continuously adapt as markets evolve in order to deliver more consistent performance.

Risk management is also a key component of the firm's investment philosophy. To this end, AlphaSimplex employs leading-edge, proprietary risk models that are designed to detect changes in portfolio risk, allowing for daily monitoring and management of the risk exposures of each strategy's positions.

This investment philosophy is central to the firm's understanding of Responsible Investing. As the world changes, AlphaSimplex recognizes that our strategies must adjust and adapt to risks outside traditional market forces, including those related to environmental, social, and governance principles. Incorporating these elements is a natural extension of our investment philosophy and risk management perspectives.

Responsible Investing

AlphaSimplex's parent company, Natixis Investment Managers ("NIM"), has made a firm commitment to implementing ESG practices and has issued a policy to set out its standards and governance in this area. At AlphaSimplex, we believe incorporating ESG, where

appropriate, is aligned with our purpose and core values and we have established this policy to articulate how we intend to do that. AlphaSimplex participates in working groups created by NIM to share best practices and cooperate on ESG integration. As part of the NIM group, AlphaSimplex leverages support provided by a central ESG function and aims to play an active role in the platforms for cooperation with other investment affiliates within the group.

Principles for Responsible Investing

AlphaSimplex became a signatory of the UN Principles for Responsible Investment (UN-PRI) in April 2021. The UN-PRI works with an international network of signatories to implement six Principles for Responsible Investment. Its goals are to understand the investment implications of environmental, social, and governance issues and to support signatories in integrating these issues into investment and ownership decisions.

The six Principles are:

1. To incorporate ESG issues into investment analysis and decision-making processes.
2. To be active owners and incorporate ESG issues into our ownership policies and practices.
3. To seek appropriate disclosure on ESG issues by the entities in which we invest.
4. To promote acceptance and implementation of the Principles within the investment industry.
5. To work with others to enhance effectiveness in implementing the Principles.
6. To report on our activities and progress towards implementing the Principles.

As a signatory, AlphaSimplex will be required to report on our progress towards each of these goals each year.

Responsible Investment: ESG Integration

We define ESG integration as taking into account environmental, social, and governance considerations in investment research and decision-making, where relevant and material. We have begun to integrate ESG considerations in some portfolios, and plan to continue to expand on this integration going forward as appropriate. For example, AlphaSimplex currently has developed and implemented equity long/short models, where ESG considerations may apply.

As the first step towards this integration, the research team plans to develop a group of statistics that measure key ESG-related metrics and begin to use these metrics to measure the relevant portions of the investment portfolios. Upon successful development, we envision that these metrics, as is the case with other key metrics, will be part of the document that the Investment Committee reviews and approves for all changes, where ESG-related metrics are relevant and appropriate.

To incorporate ESG principles, the research team plans to measure and monitor a number of statistics related to the ESG principles. These statistics may include, among others:

- Industry concentration
- Governance policies
- ESG scores
- Risk metrics
- Other key ESG-related metrics

As they do with other measures of risk, the portfolio management teams, under the oversight of the Investment Committee and the Risk Committee, plan to monitor the portfolios' ESG risk. They will use their collective judgment to determine if it appears a portfolio is taking on excessive ESG risk relative to other types of risk (including market risk). In that situation, the portfolio team will evaluate what, if any, actionable steps (consistent with our quantitative investment approach and client guidelines) may be taken.

Responsible Investment: Active Ownership

AlphaSimplex does not typically hold concentrated equity positions. However, AlphaSimplex is dedicated to being an active owner of individual equities through proxy voting, while recognizing these equity holdings make up only a small percentage of the firm's investment strategies, and currently represent a very small ownership of any individual equity. The firm's proxy voting policy is applied to all of our single-name equity holdings, and the firm exercises proxy voting for all of these holdings. The AlphaSimplex compliance team exercises this voting right in coordination with a leading provider of global governance services (Glass Lewis).

Sustainable and Impact Investment

AlphaSimplex does not currently have any sustainable or impact investment strategies. These strategies may be considered in the future.

Internal Governance of Responsible Investing

AlphaSimplex has formed a committee to oversee Responsible Investing. This committee, which is an inter-departmental group, coordinates reporting on the UN-PRI and reviews and updates this Responsible Investing Policy on a regular basis. In addition, this committee will work with NIM to communicate externally on the firm's ESG approach and initiatives.

Climate Change

AlphaSimplex follows guidance of its parent company, which has identified climate change as a particularly salient issue given its expected impact on investments and the world. NIM recognizes the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) as the industry standard on developing governance, strategy, risk management, metrics, and targets around climate-related issues.

Industry Engagement and External Initiatives

AlphaSimplex recognizes the value of engagement on these issues. The firm believes the most effective way to achieve this objective is through a coordinated approach with NIM, which benefits from the scale of being one of the largest investment managers in the world. NIM has identified this as an important area of their ESG initiatives; they seek to be engaged at the industry level, promote topical issues, and push the industry in continuously aspiring to a better understanding of ESG issues.

Reference Frameworks

In implementing the practices described in this policy, in particular relating to ESG integration and active ownership, NIM has referenced the following globally recognized frameworks:

- UN Global Compact
- The Paris Climate Agreement
- Taskforce on Climate-Related Financial Disclosures (TCFD)
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- UN Sustainable Development Goals (SDGs)