

How We Invest:

Mercury Investment Group is focused on providing superior returns for our clients by investing in large-cap, US companies that we believe are competitively positioned to benefit from changes in the demographic structure of their markets. We understand that there are massive and meaningful changes currently playing out in the demographic structure of the US and the world, and that these demographic changes will have material impacts on the spending capacities and habits of virtually every household in the US. In seeking to identify companies that we believe are best positioned to realize revenue and FCF growth because of these seismic demographic changes, Mercury Investment Group is committed to an investment approach that includes consideration of environmental, social, and corporate governance (ESG) factors.

Outlook and Values:

Mercury Investment Group's investment approach is designed as a long-term approach. We believe that the UN's Sustainable Development Goals are important and expect that the Boards of companies will recognize, commit, and take actions towards achieving them in the understanding that it is in their stakeholder's best interest. These beliefs and expectations may not prove to be accurate, or there may be market conditions where these considerations perform poorly. We strongly recommend that clients vote the shares of their holdings and make their commitment to the UN's Sustainable Development Goals clear to Board members of those companies.

Screening Related to ESG Issues

Mercury Investment Group applies exclusions to our strategy's equity securities. Exclusions are not applied to our strategy's money market securities. Exclusions are determined based on either industry codes or revenue thresholds. Securities that meet any of the criteria listed below are excluded from the security selection universe. If a current holding is subsequently found to be in violation of Mercury Investment Group's exclusion criteria, the security will be sold within 60 days.

Tobacco

- Companies that have a Standard Industrial Classification (SIC) code in Major Group 21. This group includes businesses primarily engaged in manufacturing cigarettes, cigars, smoking and chewing tobacco, snuff, reconstituted tobacco, non-tobacco cigarettes, and in stemming and re-drying tobacco; or
- Companies that earned more than 5% of their annual revenue in their most recent fiscal year from the sale or distribution of cigarettes, cigars, smokeless and chewing tobacco, snuff, and non-tobacco cigarettes.

Alcohol

- Companies that have a Standard Industrial Classification (SIC) code of 2082 (Malt Beverages), 2084 (Wines, Brandy, and Brandy Spirits), or 2085 (Distilled and Blended Liquors); or
- Companies that earned more than 5% of their annual revenues from the sale or distribution of alcoholic beverages in their most recent fiscal year.

Pornography

- Companies that produce or distribute pornography. Zero tolerance revenue threshold.

Gambling

- Companies that earned more than 5% of their annual revenue in their most recent fiscal year from the offering of gambling.

Controversial Weapons

- Companies that produce, distribute, or maintain controversial weapons and key components thereof. Controversial weapons include but are not limited to cluster munitions; antipersonnel

landmines; and biological, chemical, and nuclear weapons. Our strategy also complies with Regulation 123-4567, which requires the exclusion of cluster munitions and anti-personnel landmines.

Coal

- Companies that derive revenue from thermal coal mining or coal power generation. Zero tolerance revenue threshold.

Integration of ESG Data in Portfolio Composition

In our security selection process, we consider the above disclosed ESG restrictions and demography to determine what companies to apply traditional financial analysis to attempt to determine a company's long-term value and what level of risk is required in achieving that value.

Proxy Voting

Mercury Investment Group does not vote proxies. We strongly recommend that clients vote their shares and make their commitment to the UN's Sustainable Development Goals clear to Board members of the companies we are investing.