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FY2026 TRS Fiduciary Report

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1. Introduction

In accordance with 40 ILCS 5/16-189, the Teachers' Retirement System of the State of Illinois ("TRS" or the "System") provides the following FY2026 Fiduciary Report (this "Report") examining, among other things, how TRS considers sustainability factors, as defined in the Illinois Sustainable Investing Act, in managing and investing the TRS defined benefit portfolio investment trust (the "Trust").

Before turning to the content of the Report, this introduction provides a brief, general review of TRS and its investment management role concerning the Trust.

TRS was created by Illinois statute to act as trustee of the Trust and invest and reinvest the reserves of the Trust for the purpose of providing retirement annuities and other benefits for the System's teachers, annuitants and beneficiaries (collectively, "Participants").[1]

TRS, through its Board of Trustees (the "Board") and staff, has discretionary authority, responsibility and control over the management and disposition of the Trust's assets and the management and administration of the System.[2]

As a result of this discretionary authority, responsibility and control, TRS is a fiduciary under the Illinois Pension Code, and must discharge its duties with respect to the Trust and the System solely in the interest of the Participants for the exclusive purpose of providing benefits to Participants, defraying reasonable expenses of administering the Trust and the System. In doing so, Illinois law generally requires TRS to use the care, skill, prudence and diligence under the circumstances then prevailing that a prudent expert would use and generally diversify the Trust's investments to minimize the risk of large losses.

TRS's mission is to deliver expert pension service to Illinois public educators as they earn their promised retirement security. On August 15, 2023, TRS adopted a five-year strategic plan with specific strategic goals to help TRS realize its long-term vision of working together as the trusted retirement resource for generations of its members (Link to TRS Strategic Plan). This mission, vision and strategic plan overlay the TRS Investment Policy. The TRS Investment Policy provides a governing framework for management, investment and reinvestment of Trust assets, and generally outlines the investment philosophy, principles and practices of TRS. For more information, please refer to the TRS Investment Policy found on the TRS website (Link to TRS Investment Policy).

2. Consideration of Sustainability Factors

TRS, as fiduciary, has adopted, with assistance from its investment consultant, a long-term, diversified asset allocation model to guide its investment of Trust assets. Diversification distributes the Trust portfolio across many investments to avoid excessive exposure to any one source of risk, generally taking into account the following attributes: asset classifications (for example, stocks, bonds, real estate, private equity, and short-term investments), geography, industries, and maturity sectors. A copy of the asset allocation model is available on the TRS website (Link to TRS Asset Allocation).

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[1] 40 ILCS 5/16 et seq.

[2] 40 ILCS 5/1-101.2 and 5/16 et seq.

In constructing its asset allocation model, TRS, with assistance from its investment consultants, considers various, evolving investment risk factors, including sustainability risk factors, to help maximize the Trust's financial returns while also helping to minimize projected investment risks. Consideration of investment risk factors is always subject to the overarching requirement that TRS discharge its duties with respect to the Trust and the System solely in the interest of the Participants and beneficiaries for the exclusive purpose of providing benefits and defraying reasonable System expenses.

As described in Section 3 below, sustainability factors are considered during the investment manager underwriting and selection process conducted by TRS's investment consultants and investment staff.

3. Assessment of Systemic and Regulatory Risks and Opportunities

Consistent with their fiduciary duty to monitor the TRS investment portfolio, TRS investment staff, internal investment staff oversight committees, and the Investment Committee of the Board routinely assess systemic and regulatory risks and opportunities applicable to the Trust's investment portfolio, including sustainability factors, by reviewing information provided by TRS investment consultants, third-party systems, and investment managers.

More specifically, as it pertains to sustainability factors, information is collected and assessed as follows:

External Investment Consultants

Investment consultants are hired by and report directly to the Board and work closely with TRS investment staff. As part of the investment manager selection process, the consultants provide confidential investment memorandums and manager due diligence reports for consideration, which incorporate a Responsible Investment ("RI") evaluation of the investment manager. The RI evaluation generally reviews the investment manager's:

- RI or environmental, social, and governance ("ESG") policies governing their investment program;
- Approach to RI/ESG integration and related risks, when applicable to their investment strategy;
- Assessment of RI factors and RI headline risk of their underlying investments;
- Implementation of RI or ESG risk factors in investment underwriting; and
- Evaluation of sustainability reporting and diversity information at the investment manager-level.

TRS external consultants may flag both positive and negative considerations as part of their due diligence review, highlighting various aspects of the RI factors, an investment strategy, or a manager's business practices. The equity markets search process is generally described at 80 Ill. Admin. 1650.3020. When issues arise concerning an existing investment, depending on the circumstances, they may be flagged within the investment staff's investment or operational due diligence report.

Third-Party Systems

Through paid subscriptions to certain third-party data providers, TRS has access to reports summarizing sustainability data, risk scores, and other related risk analytics. The information provided in the reports can be used in the evaluation of sustainability risk in the Trust's total current investment portfolio.

Investment Manager Information

During the investment manager search process, a standard form is sent out to investment managers requesting information on how they integrate sustainability factors into their decision-making process. The information submitted by the manager is then considered in conjunction with the beforementioned investment consultant report and other relevant investment analysis materials at the time of the investment decision.

4. Investment Manager Integration of Sustainability Factors

The Illinois Pension Code authorizes TRS to appoint investment managers as fiduciaries to manage and invest Trust assets on behalf of the System. TRS delegates its management and investment authority for specific subsets of the investment portfolio, based on the asset allocation model, to investment managers, through an investment management agreement ("IMA") outlining the investment manager's authority, responsibilities and investment limitations. Investment managers accept fiduciary responsibility for the Trust assets delegated to them and agree to manage and invest the assets in accordance with the Illinois Pension Code, the TRS Investment Policy and the terms of the IMA. Investment managers must construct and manage their TRS investment portfolios consistent with the investment philosophy and disciplines for which TRS retained them, which are spelled out in the IMA's investment guidelines.

When investment authority is delegated to investment managers, the investment manager takes on sole responsibility and discretion for managing the Trust assets, and TRS then monitors their performance. TRS contacted its discretionary investment managers for a description of how they integrate sustainability factors into their decision-making processes. The investment managers' responses are provided in Exhibit A attached hereto.

5. Proxy Voting Report

Active voting of proxies is an important component of managing the Trust's investment portfolio. When TRS delegates its management and investment authority for specific subsets of the investment portfolio to investment managers through an IMA, the investment manager agrees to accept fiduciary responsibility and liability for voting proxies for the securities held within the assigned portfolio.

Investment managers must vote proxies in a manner enhancing shareholder value in the best interests of the Participants and beneficiaries. When an investment manager is retained by TRS, the investment manager must provide its proxy voting guidelines for review and provide updates when any changes are made.

As the appointed investment managers have discretion over and liability for their assigned portfolios, subject to the terms of the IMA and applicable law, TRS does not otherwise direct its investment managers how to vote the Trust's proxies, such as through use of an appointed institutional proxy advisory service's voting guidelines and services (e.g., Institutional Shareholder Services ("ISS") or Glass Lewis). Having clean lines of fiduciary responsibility between the investment manager and TRS helps ensure investment managers retain full discretion and liability for management of the portfolio, helping to mitigate risk to the System.

While TRS does not mandate how its proxies are voted, approximately 90**%** of the Trust's equity proxies were voted in accordance with either ISS' or Glass Lewis' institutional proxy voting guidelines as of the end of the latest fiscal year (approximately 83.7% of the equity portfolio voted in accordance with ISS' guidelines, while approximately 6.6% voted in accordance with Glass Lewis' guidelines).[3] Further, the respective investment managers cover the cost of the proxy voting services, not the System, resulting in fee savings for the Trust and the System's members and beneficiaries.

TRS investment staff monitor the proxy voting practices of the investment managers and may request proxy voting information at interim periods or as issues arise. Investment managers provide reporting to TRS of all proxy votes cast during the prior quarter, including the number of ballots cast, the number of issues voted upon, and the percentage of issues voted with management, against management and designated as abstentions. These reports are used to produce an annual proxy voting report to the Board at fiscal year-end, which is then published on the TRS website.

The FY 2024 TRS Proxy Voting Report is available on the TRS website. (Link to FY24 TRS Proxy Voting Report).

6. Corporate Engagement and Stewardship Activities

TRS corporate engagement and stewardship activities concerning the Trust portfolio generally are addressed at the Board level on an issue/investment-specific basis. Matters of concern are addressed via direct dialogue with, and written comment from, the applicable investment manager. Individual Board Trustees and staff do not have the authority to engage in such activities on behalf of TRS.

TRS also executes corporate engagement and stewardship activities concerning its investment portfolio through its membership on the Illinois Investment Policy Board in accordance with the Illinois Pension Code.[4] The TRS Chief Investment Officer serves on behalf of TRS in this capacity. Through its membership on the Illinois Investment Policy Board, TRS ensures Trust assets are not invested in securities of entities that are prohibited from investment by Illinois law. Illinois law currently prohibits investment in certain companies that boycott Israel, for-profit companies that contract to shelter migrant children, Iran-restricted companies, companies that boycott Isreal, Sudan restricted companies, expatriated entities, companies that are domiciled or have their principal place of business in Russia or Belarus, and companies that are subject to Russian Harmful Foreign Activities Sanctions. The current Prohibited Investment List for TRS is available here.

[3] Figures are based on inquiries sent to TRS's equity investment managers.

[4] 40 ILCS 5/1-110.16(b)

EXHIBIT A

Investment Manager Responses

Manager Name	Response
Acadian	Acadian's investment process is built on the principle that market inefficiencies arise from behaviorally-driven mispricings, information asymmetry, and market frictions. We seek to systematically exploit these inefficiencies by leveraging data and technology to translate our fundamental and market insights into actionable investment opportunities. By integrating ESG considerations into our investment process, we aim to uncover overlooked opportunities and manage risks, ultimately enhancing portfolio outcomes for our clients. We believe an empirical approach best addresses responsible investing principles, through the creation of predictive investment signals, delivering custom solutions to clients, and upholding a disciplined approach to Stewardship. We integrate ESG signals into our investment process to enhance the prediction of stock returns. Treated like any other alpha signal, ESG insights undergo the same rigorous testing to evaluate their efficacy. Our research demonstrates that investors often underreact to material, non-financial information such as climate risks, corporate culture, and governance practices. By addressing the challenges of collecting and interpreting this non-financial information at scale, we can identify mispriced securities and create opportunities for improved portfolio performance. We collaborate with clients to deliver innovative custom ESG solutions, offering flexibility to address unique sustainability goals. Approximately 40% of Acadian's AUM integrates client-driven exclusion or tilts based on values- and norms, including controversial weapons, thermal coal, tobacco, and perceptions of UN Global Compact violators. Additionally, we design portfolios that align with decarbonization goals, Net Zero commitments, and targeting exposure to Sustainable Investments based on the Sustainable Development Goals (SDGs).

AllianceBernstein	Integration is Driven by our Investment Teams: AllianceBernstein's investment teams are at the heart of AllianceBernstein's Stewardship activities, seeking to integrate financially material ESG considerations into applicable steps of the process for most actively managed equity and fixed income strategies. We seek to integrate material ESG factors as part of our investment decision process through the following steps: Idea Generation, Research and Analysis, Engagement, Investment Decision Making and Stewardship. AllianceBernstein investment teams begin the ESG integration process by identifying and assessing material ESG risks and opportunities. Materiality differs by sector and industry. For example, the way a company or issuer manages its water consumption and treats wastewater could present ESG and financial risks for food and beverage companies. For many healthcare companies, product safety and quality are key considerations. To help identify these issues, AllianceBernstein has developed a proprietary materiality map, developed in partnership with more than 120 AB research analysts across asset classes. This tool covers more than 40 ESG issues and almost 70 subsectors, acting as a heat map to help investment teams identify material ESG issues that could affect our long-term financial forecasts --along with stakeholders more broadly. AllianceBernstein equips our investors with proprietary and third-party tools, data and research that can help give them a broader understanding of the material ESG risk characteristics of an issuer, sector or portfolio. We combine third-party data and toolsets with proprietary research and collaboration tools to strengthen our ESG research and make integration systematic across the firm.
AQR	Our general business plan with regards to sustainability factor integration is to incorporate ESG-related signals across all portfolios, including the portfolio under review, where rigorous empirical research demonstrates them additive to risk adjusted returns. Consistent with our general research approach, ESG related research is conducted internally, and the ESG-related signals typically incorporated in AQR's stock selection model are based on proprietary models. These ESG signals, like our non-ESG signals, rely on publicly available data and significant in-house processing of that data to extract information from noise. These signals are predominantly Governance related. Indeed, we have used Governance-related signals in our models since the firm's inception in 1998. The signals are fully integrated in our security selection model, so they implicitly feature in the assessment of each company in the investment universe all else equal, encouraging the portfolio to hold long (or short) positions in stocks exhibiting positive (or negative) such characteristics. To the extent these characteristics capture an ESG-related risk, inclusion of these alpha signals in our model is one way

	of reducing such exposure in the portfolio. This approach is consistent with our previously published research on the ESG-efficient frontier which argues that in general, any optimal allocation includes ESG information (like those signals in our models as standard). ESG information therefore plays an important part of AQR's robust research agenda and we therefore naturally apply the same rigorous research, implementation, and oversight processes to ESG as we do to non-ESG-related information. Indeed, our ESG research is conducted on equal footing with our non-ESG-specific research topics and is carried out by the same individuals, shepherded by our Head of Sustainable Investing as well as Responsible Investment & Stewardship Committee members who sit on our portfolio management and research teams. This ensures that ESG factors are considered in line with our organization's investment beliefs and are likewise integrated into our investment strategy in a disciplined and systematic manner, fully consistent with our overall research approach.
Arga	ARGA defines sustainability factors as those likely to have a significant impact on a company's long-term earnings, cost structure and/or business sustainability. ARGA analysts reflect sustainability factors, where quantifiable, in company analysis inputs. This allows focus on those sustainability issues that are material to each business. Key sustainability factors vary for each business. We do not pre-define material sustainability factors but consider a broad range of metrics including: • Environmental factors: emissions intensity, impact of climate change risks (physical and transition), resource intensity, waste management (including hazardous waste), environmental impact, biodiversity loss. • Social factors: employee retention, diversity, employee health and safety, community impact. • Governance factors: board independence, composition and diversity, employee incentives, supply chain management, policies around bribery, corruption, and ethics. We note that several of the factors above are aligned to those considered as sustainability factors under the Illinois Sustainable Investing Act. Additionally, many of the factors considered under point (5) of the Illinois Sustainable Investing Act, such as materials sourcing and efficiency, business model resilience, product design and life cycle management are addressed where material and quantifiable in our fundamental research.

Arrowstreet	We have a Responsible Investing Committee, which is comprised of our Chief Investment Officer and senior members of the Portfolio Management, Research, Investment Analytics, Legal and Compliance, and Business Development and Client Relationship Management teams. The committee meets quarterly to discuss our approach to various ESG related issues, both in our investment process and in our internal business practices. We selectively incorporate specific environmental, social, and corporate governance (ESG) information into our investment process. Our research focuses on identifying, testing, and incorporating investment signals into our quantitative return and risk models. We incorporate what we believe to be the best investment insights into our clients' portfolios with the objective to deliver sustainable alpha on a risk-controlled basis. Consistent with this objective, all alpha and risk signals, including those associated with ESG information, are evaluated in a systematic and rigorous manner prior to inclusion in our process. We understand that ESG considerations can impact businesses' profitability and sustainability of earnings, in addition to the risks associated with their securities. Though our research to date has not suggested that stocks with desirable ESG characteristics will systematically outperform, some of our existing expected return signals are correlated with specific ESG measures. The most conspicuous examples are our quality signals, which tend to be somewhat correlated with the "G" (Governance) component of ESG. We do believe ESG information is informative about forward-looking active risks, and therefore we include signals derived from ESG characteristics in our risk model. We may periodically evaluate various additional signals associated with ESG characteristics as well as related third-party academic research to identify potential return or risk implications associated with ESG-based signals. Any potential signal associated with ESG characteristics will be evaluated in a manner consistent with other signals prior to inclusion in our investment process.
Barings	Barings integrates sustainability factors into decision-making a number of ways at the firm level. • Investment-team-specific Policies Barings has implemented investment-team-specific policies that explain how ESG topics are integrated within the investment process.

	• Establishing the ESG Investment Integration Working Group The working group includes members from Barings investment teams and the Corporate ESG team. This group focuses on enhancing ESG integration practices, tools and data and provides input and oversight of Barings' ESG integration practices. • Effective Stewardship: As stewards of capital, we seek to leverage our position to partner with our clients, engage with our investees and undertake voting on financially-material issues, where deemed appropriate and applicable. The Stewardship Working Group coordinates the oversight of ESG, sustainability and climate-related engagements across investment teams and third parties. • ESG Risk Scores: Barings believes that integrating material environmental, social and governance ("ESG") factors into our overall investment analysis provides a more holistic understanding of the complex issues, risks and opportunities that may impact our client portfolios and aids Barings in its primary objective to deliver competitive risk-adjusted returns for our clients.
BBH	The focus of our ESG integration approach is on risk factors that are material for specific issuers. BBH's investment professionals are responsible for incorporating ESG risk factors into their investment analysis and decision-making process, where they believe they could have a material impact on a company's valuation or a credit's durability and financial performance. Our analysts' source ESG-related information from a variety of places, including: academic research, ESG ratings agencies, other data providers, deal documentation and issuers themselves. We conduct traditional financial analysis and ESG analysis in tandem as part of our long-term fundamental investment philosophy to narrow a broad investable universe to a select number of businesses that meet rigorous qualitative criteria. Prior to investment and on an ongoing basis, material ESG risk factors are considered and addressed as part of the credit assessment. This results in portfolios for our institutional and private clients that, in our view, hold durable issuers that are more likely to manage resources efficiently, create value for stakeholders, and protect creditors and shareholders over the long-term.

	Additionally, we are active owners and incorporate ESG issues into our ownership policies and practices. Direct engagement with companies and issuers is an important component of our bottom-up, research-driven approach. It provides investment teams with the opportunity to gain insights into the strategy, competitive positioning, and durability, as well as the risk, and opportunities associated with an investment, which may often include material and relevant ESG considerations.
Causeway	Causeway's fundamental value equity strategies employ a bottom-up stock selection process whereby analysts assess a mosaic of fundamental company and industry information to form a holistic view of an investment. Financially material sustainability issues, which are likely to impact investment performance, are where applicable an input in forming this view. To facilitate sustainability integration, Causeway's procedures are structured around training, tools, and accountability. We provide periodic training sessions for fundamental analysts and portfolio managers to develop awareness of material sustainability issues and their investment implications, discuss research findings, and identify emerging themes and trends. We provide various tools to fundamental analysts: A materiality map that identifies material issues by sector as determined by our sector-specific research groups or "clusters"; Various data sourced from both commercial and non-commercial sources; Assessment frameworks that enable consideration and aggregation of various data into a proprietary sustainability score; and, a proprietary desktop application (our "ESG Navigator") to access the data and assessment frameworks in order to input and update components of sustainability scores. Accountability is maintained by including in fundamental investment professionals' annual performance evaluation an assessment of their adherence to our sustainability integration procedures. The annual performance evaluation is an input in determining discretionary compensation. Fundamental analysts incorporate their training and tools into security analysis, to assess sustainability risks and opportunities in the short, medium, and long term.

Dolan McEniry	Dolan McEniry integrates sustainability metrics more broadly into its investment strategy and process. The firm uses third-party data from MSCI to understand the portfolio's carbon intensity and key controversies from a sustainability perspective. The firm's investment team documents material sustainability risks in an internal research note for each new investment, along with other fundamental and financial analysis. If an investment scores poorly on the relevant factors according to third-party data sources, the investment team conducts further research to determine what is driving the score. A poor sustainability score does not automatically preclude the firm from investing in the company but is an important input into the investment decision-making process. Dolan McEniry has historically had limited exposure to the fixed income securities of companies in the fossil fuels industry. This policy has helped the firm score consistently well on sustainability metrics. Dolan McEniry believes its general avoidance of fossil fuels and its overall sustainability practices will continue to lead to strong sustainability scores for the foreseeable future.
Driehaus	Investment professionals at Driehaus incorporate the consideration of material ESG factors into our investment process through quantitative and qualitative analysis, internal monitoring and reporting. We layer quantitative ESG metrics derived from external ESG rating agencies into our research process. The type of factor and its materiality to a company will vary by industry, region, and type of investment. By analyzing the ESG scores of companies, we seek to identify risks that may not always be obvious through traditional fundamental analysis. Qualitative fundamental analysis is also conducted on investments, including an assessment of a particular company's ESG footprint through a review of commentary derived from external ESG rating agencies. This analysis seeks to identify material ESG risk factors and their correlation to a company's potential future earnings and profitability. More specific examples are as follows: Environmental factors may include, but are not limited to, carbon emissions, water stress, toxic emissions and waste, packing material and electronic waste. Material environmental risks may result in higher energy costs, disruptions to operations, environmental accidents, increased regulatory pressures and reputational damage. Some examples of social factors are health and safety, data security and privacy, supply chain labor standards, labor management, human capital development, community relations and consumer protection policies. Social

	factors can negatively affect a company's reputation and ability to attract talent, which ultimately affects profitability. Finally, governance factors, such as business ethics, accounting standards, board structure and oversight, and tax transparency play a crucial role in our risk analysis for a given company. Without strong corporate governance practices, we may lack confidence in the leadership and integrity of a company's management team. Consistent with our risk management process, the purpose of this analysis is to seek to identify and understand ESG-related risks to the extent practical. We may disregard ESG scores or external analysis, for instance, if we do not view the ESG commentary as material or if we disagree with the analysis. To be clear, as a single factor in our investment process, ESG considerations are not likely to be a defining factor in any investment decision.
Emerald	Since Emerald's investment strategy is a bottom-up process, Emerald does not apply top-down screens of any kind, including any ESG-related screens. Instead, Emerald's analysts and portfolio managers build each portfolio one stock at a time. While a significant variety of commonly identified ESG factors may be identified as a consequence of this process, the process precludes Emerald's ability to be a signatory to the PRI. That being said, many inputs into Emerald's investment decision-making process can include factors that are generally accepted as being ESG-related. Ethical leadership, customer privacy and job creation can be important variables when Emerald research analysts are assessing a company for inclusion in an Emerald portfolio. Under the direction of Chief Investment Officer, Kenneth G. Mertz II, CFA, Emerald has consistently fought for shareholder rights through its proxy voting policy and ongoing engagement and dialogue with company executives. Similarly, Emerald's proprietary 10-Step Research process allows our analysts and portfolio managers to consider investment factors that passive managers and indices may not. Emerald has full discretion to invest in or ignore a company, industry or sector. Because the list of potential ESG-related factors and variables are not specifically defined by the investment industry and therefore innumerable, Emerald instead focuses on the overall type of factors that are typically a fall-out of its 10-Step process. Emerald typically seeks to invest in companies with technology-related advantages and solid working relationships with a company's surrounding communities, its neighbors, government officials and

	regulators. High-performing technology companies can typically employ state-of-the-art systems that include the most up-to-date environmental-related components. Likewise, ongoing sustainability is an important factor to consider when making an investment.
Finisterre	The Finisterre investment process incorporates ESG factors using both summary exclusions based on specific activities and a committee process for those issuers which exceed certain materiality thresholds. Summary exclusions focus on specific industries such as weapons, tobacco, etc and we screen names which exceed thresholds in the coal, stranded fuels, and generation industries. Beyond these exclusion activities we have embedded the United Nations Global Compact (UNGC) in our process which looks at issues across the sustainability spectrum: environmental, human and social capital, and governance. While we look all these factors as part of our process, we focus on UNGC violations for corporate issuers and sharp negative moves and emissions intensity for sovereign issuers. To carry out our process we have incorporated MSCI data in addition to our own more qualitative assessment for issuers. For those issuers, either sovereign or corporate, that exhibit material risks according to the above criteria, we use the ESG Committee process to assess severity, risks for the credit profile, and corrective actions and this results in decisions about the acceptability for investment of issuers. Engagement is a key determinant as to the acceptability for investment of credits; those issuers where we see sustainability risk but which we deem as open to engagement make for more promising investment cases in our view. We track our engagement and committee decisions to refine our process and make it iterative.
Garcia Hamilton	At Garcia Hamilton & Associates, L.P. (GH&A), we understand that the role of fixed income, more specifically Core Fixed Income, is to anchor the portfolio so the client can take risks elsewhere. Therefore, our goal is three-fold. First, to outperform our benchmarks net-of- fees with a higher credit profile than the index. Second, to provide our clients with best-in- class service. Third, to set an example as an industry leader in fixed income solutions for institutional clients as well as a leader in corporate diversity and inclusion. Since inception, we have utilized an active, top-down investment approach to provide safety, liquidity, and return on investment to our institutional, primarily public sector, clients. Our high-quality philosophy prevents the Firm from taking unnecessary or unquantifiable risk.

	GH&A's investment philosophy is aligned with the State of Illinois's bold and forward- looking action through the passing of the Illinois Sustainable Investing Act, requiring every retirement fund subject to the Illinois Pension Code to incorporate sustainability factors into their written investment policy. GH&A has been managing Illinois public sector accounts since 2005 with ESG/SI considerations.
Grandeur Peak	As a firm, we believe that the best investments are in companies that have integrity and strive to make an impact on the world. The objective of our fundamental research is to identify what we consider to be Best In Class companies (BICs): those with sustainably high returns on capital, underpinned by a sustainable competitive advantage that enable companies to generate more than enough cash to fund their growth and maintain a strong balance sheet. We place significant value on companies' management teams that embrace a long-term perspective and are thoughtful stewards of financial and non-financial resources. This can include environmental and social aspects of the business. We have always believed that effective governance and responsible corporate strategy are critical components of Best In Class companies. As a part of our bottom-up approach, we screen companies and give them a quality score, of which environmental, social, and governance issues all play a role. This process includes engaging companies on their sustainability. These engagements are performed with 100% of our companies and applies to 100% of our strategies.
Heitman	As part of Heitman's investment process, sustainability considerations, including an assessment of environmental risk factors, form part of the underlying review of facts that are evaluated in determining moving forward with a particular portfolio transaction. From an operating perspective, Heitman looks for opportunities to explore sustainable solutions to achieve operating efficiencies in a manner that is consistent with the underlying investment objectives. Similarly, Heitman seeks to work with responsible third-party vendors and operators who maintain high operating standards that are consistent with Heitman's own approach. We believe in reviewing and assessing sustainability considerations in our investment and asset management processes, and, when appropriate implementing appropriate operating solutions, with the objective of enhancing investment returns.

Longfellow	LIM incorporates ESG into its fixed income credit investment decision-making process. ESG integration is driven by our view that ESG factors can have material long-term financial impacts to profitability, cost of capital, access to funding, and competitiveness. We've found that companies with a strong ESG profile tend to be more forward-thinking and focused on the long-term making attractive investments. Materiality of ESG factors is determined on an industry and issuer-specific basis and may vary from one issuer to another. LIM has established a list of industry specific ESG factors that we believe are material to creditworthiness. We reference the SASB standards, U.N. Principals for Responsible Investment (PRI) resources, and our analysts' experience to establish materiality. Within our ESG scoring process, each ESG factor is weighted based on how material it is for the specific industry and the degree of data availability. After all factors are scored by the analyst, these various factors are rolled up into one aggregate corporate ESG score. Bond prices should compensate investors for market and idiosyncratic risks. We target securities that deliver excess returns without increasing credit risk. Following LIM's three-step research process to evaluate securities based on fixed income credit fundamentals, technicals, and pricing, analysts determine whether a bond's valuations are sufficient. While lower credit quality or ESG scoring companies are not excluded from portfolios, they may be included if their relative risks are known, the trend is stable to improving, and their valuations appropriately compensate investors for risk. LIM ESG scores and summaries are reviewed regularly and communicated in recommendations and company updates. As noted, we do not purchase or sell issues based on ESG analysis alone.
Loop Capital	Sustainability factors are fully incorporated into LCAM's proprietary credit scoring process. The starting point for integration is original research by our credit analysts and inputs from third-party providers such as MSCI. Environmental, social and governance risk assessment begins with the work of our credit analysts. Companies with ESG scores in the lowest quartile are investigated further by the credit analysts to evaluate whether the ESG risks are adequately incorporated into the team's assessment of business risk. Sustainability factors and risks are identified at a security level. LCAM's credit analysts evaluate and score securities across three broad categories: business risk, financial risk and sovereign risk. ESG (environmental,

	social and governance) analysis is included under business risk to anticipate future risks that may be overlooked by the market, such as regulatory fines or reputational risk. Scoring reflects a combination of qualitative and quantitative factors with outputs for each variable ranging from -2 to +2 based on predetermined criteria for each factor under consideration. The total score across factors is normalized to produce a number between -10 to +10. Base scoring for quantitative factors uses a logarithmic curve, with 0 typically aligned with the inflection point between investment grade and high yield.
LPC	LPC Realty Advisors I, LLC (the Firm) and its parent organization, Lincoln Property Company, integrate sustainability factors into the investment and asset management decision-making process on behalf of the Teachers' Retirement System of the State of Illinois (TRSI). The Firm's senior decision maker, who serves as President and is on its national Investment Committee, takes responsibility for sustainability initiatives and works with Lincoln Property Company's ESG team on a consistent basis. All work is guided by internationally accepted standards and organizations and is annually audited or externally checked by third parties. The Firm incorporates sustainability factors into its governance primarily through its participation in the SEC's Registered Investment Adviser process. All annual and update ADV filings are provided directly to TRSI. Additionally, the Firm provides annual tracking of leadership diversity, the inclusion of an ESG section in its annual reporting, and annual performance reviews that include sustainability considerations. The Firm also maintains updated regulatory, compliance, and ethical conduct policies and performs annual training. The Firm integrates sustainability factors in its decision-making through systemic risk management practices in its underwriting and due diligence process and then throughout the hold period of the asset. Prior to acquisition, each investment is assessed with several sustainability-related factors, including the following attributes/issues: building safety and materials, contaminated land, energy supply and efficiency, water supply, flooding, regulatory compliance, and transportation.
LSV	LSV utilizes a quantitative model that derives an expected return for all companies in the investment universe utilizing third-party data, including signals relating to certain sustainability factors. Specifically, signals related to environmental, social, and/or governance ("ESG") controversies, ESG scores, and climate risks are included in LSV's quantitative expected return model and/or risk control and portfolio construction process to mitigate overall portfolio level exposure to ESG-related risk believed to be material to the financial risk and/or return of

	an investment. In addition, as a supplement to our quantitative risk control process, our portfolio management, trading, and compliance departments monitor news relevant to portfolio holdings, including ESG-related developments, and may choose not to purchase or increase investment in particular issuers due to heightened ESG risk. Further, issuers implicated by certain ethical and regulatory considerations are excluded, at your request. LSV's proxy voting and engagement processes further integrate the consideration of certain sustainability factors, including through case-by-case ESG analysis by our proxy advisory and collaborative engagement service provider, Glass Lewis & Co., in furtherance of maintaining or enhancing shareholder value in the best economic interest of TRS.
Mackay Shields	As fiduciaries entrusted to act in our clients' best interest, we believe that consideration of material environmental, social, and governance ("ESG") factors can have an impact on long-term investment performance and, therefore, is a natural and important component of disciplined investment research and management of client portfolios. As active managers and lenders of capital to the issuers in which we invest, we are also mindful of our ability to influence responsible business conduct through investment decision-making. The Global Fixed Income Team incorporates a process which includes a comprehensive evaluation of a list of risk factors, a number of which can be classified as ESG factors. We are keenly aware of these ESG risks and their impact on the credit worthiness of borrowers and bond issuers. Our approach to ESG investing is consistent with our general philosophical approach - eliminate uncompensated risk by cutting off the tails of the return distribution. ESG considerations are particularly pertinent to left tail management, as ESG risks can be exceptionally high without commensurate compensation. In our investment process, we apply an industry-relative ESG screen through which we carefully weigh the risk and reward profile of each potential investment we consider.
Northern Trust	The MSCI World ex USA ND and Quant Active Multi-Factor Manager Volatility .85 Beta Separately Managed Accounts (SMAs) for the Illinois Teacher's Retirement System (ILTRS) are currently invested in are not managed to an ESG mandate.

Payden & Rygel	It is Payden's policy to review ESG factors and integrate them, where appropriate, into its investment processes. Payden adopts a client-centric approach in its ESG investment processes. For separately managed accounts, the importance of ESG factors is considered in the context of client guidelines. For portfolios that do not include any ESG criteria in the client guidelines and/or prospectus, ESG considerations relate to the potential impact of ESG factors on the investment performance of an issuer over the near term, and where relevant. ESG factors are incorporated into the overall investment process in the context of the portfolio and markets. Payden's ESG investment processes are dynamic. They are designed to be adaptive to changing market conditions, data coverage, developments in the global ESG landscape, and broader sustainability analysis, and therefore may change over time. Payden identifies, monitors, and manages ESG factors using both quantitative and qualitative processes and frameworks. Our approach to ESG factors for sovereigns is guided by our experience managing emerging markets for over two decades. Over that time, we have witnessed the market impact of elections, institutional strengthening/weakening, social protest, and resource management on a sovereign's fundamental trajectory.
PGIM	In integrating ESG risks and opportunities into our investment process, we define “ESG risk” and “ESG opportunity” as an environmental, social or governance event or condition that, if it occurs, could cause a material negative or positive impact on the financial/economic value of an investment. Together, we consider such ESG risks and opportunities to be “credit-material ESG factors.” Because we define credit-material ESG factors purely as those we believe have the potential to materially affect the value of specific investments, and distinct from the consideration of ESG impacts, those factors are incorporated into our evaluation of issuers’ credit profiles in the management of all client portfolios. As part of the credit research process, PGIM Fixed Income analysts review information related to ESG factors, which may be provided by the issuer or obtained from third-party ESG research providers or alternative data sources (e.g., NGO analyses, governmental and inter-governmental studies, etc.). PGIM Fixed Income analysts may supplement this information through engagement with the issuer. To the extent an ESG factor is considered by the analyst to have a material or a potentially material adverse effect on the financial value of the issuer, our analysts will incorporate such risks into their fundamental credit

	ratings. Fundamental credit ratings are in turn a key factor in our relative value assessments and are the primary means through which our portfolio managers will consider material sustainability risks when assessing the overall relative attractiveness of potential investments. Equally, ESG factors that are considered to be materially or potentially materially positive for the financial value of an issuer will also be reflected in our fundamental credit ratings and so considered in relative value assessments. Although our views are often informed by quantitative metrics, our ultimate decision on how ESG issues should influence our investment decisions is largely qualitative, as with other types of risks and opportunities.
Principal Real Estate	Principal Real Estate thoroughly evaluates sustainability features and risks from the earliest stages of our new property and existing asset acquisition pre-investment process. As part of the underwriting process, we review geographic location, environmental concerns, regulatory conditions, and social matters. We consider sustainability factors that are unique to each site and local market resilience, from both an economic and regulatory perspective. Our regional asset management and engineering organizational structure provides for insight and focus on key local market conditions, and we rely on local market expertise provided by property management and development partners. -Our standard due diligence checklist includes analysis and review of a broad spectrum of sustainability factors including but not limited to: -Overall building sustainability performance -Energy, water, and waste usage and efficiency -History of the location for type and frequency of natural hazards -Climate risk assessment to help identify future high-risk climate hazards (flooding, heat stress, hurricanes and typhoons, sea level rise, water stress, wildfires, and earthquakes) -Transition risk (regulatory requirements for benchmarking, energy audit/retro-commissioning, and/or building emissions performance standards)

	-Ecological impact assessment (for new development projects) -Sustainable and healthy building certifications in place or planned -Indoor environmental quality -Occupant health and safety factors -Presence of toxic materials and proximity to health and environmental concerns such as Historical Recognized Environmental Conditions (HREC), pollution sources and sensitive ecologies -Property Condition Assessment and Phase 1 environmental assessments -Compliance with FHA and ADA accessibility regulations -For multifamily assets: affordable housing metrics such as number of workforce and affordable housing units, and affordability spread (rental rates relative to area median income) -Tenant satisfaction
Redwheel	Redwheel view responsible investing and stewardship as critical and integral parts of our organization's long-term strategy and welcome rising market and regulatory expectations of best practice in our industry. We believe we can use this to further demonstrate our own alignment and commitment to servicing our clients. Redwheel has an approach where its investment teams have a high degree of autonomy with regards to their investment process and, as such, the approach to incorporation of ESG considerations adopted by each investment team will differ accordingly, as will the resource dedicated to it. In line with their investment freedoms, each investment team is also responsible for developing internal procedures for ESG integration within their respective investment mandates, consistent with firm level policies. Adopting this approach has proved to be the best way to ensure that responsible investing is put into practice in a meaningful and genuine way, helping to maintain alignment between our interests and those of our clients. Our organization-level approach is set out in the Redwheel Policy on Responsible Investment and is based on our overarching aims to ensure we fulfil our fiduciary duties and meet the requirements of our clients. This policy, as well as our Stewardship and Controversial Weapons policies, apply firmwide.

	These policies represent Redwheel's principal policies relating to sustainability considerations, the implementation of related investment strategies, and the roles of individual teams in overseeing the operation of investment products in practice. As part of the Emerging Markets Equity Strategy, ESG analysis forms an integral part of the team's due diligence process performed by all analysts.
Rhumbline	As a passive investment manager, RhumbLine's investment objective is to closely track a designated index. As such, RhumbLine does not independently make the determination to exclude index constituents based on ESG principals. We do, however, customize portfolios to exclude securities at the direction of our clients. In fact, since the firm's inception, flexibility and responsiveness to client needs has been the cornerstone of our success. RhumbLine has the ability to customize our investment approach for each client based upon their specific requirements. We opened our first customized account in 1994; it is still open 30 years later. Our customized business accounts for more than one-third of our assets under management as of June 30, 2025. We have significant experience in many areas including SRI, SRI/Catholic, Tobacco, Sandy Hook, South Africa Free,Sudan Free, Carbon Underground 200 and specific credit quality constraints. We are able to track any ESG index. When managing a customized or restricted portfolio, the client or a third party usually provides RhumbLine with the list of restricted securities. We do not independently research companies' adherence to ESG principles. We use the client's list of restrictions or a list from an independent third party.
Schroders	As active investment managers, we believe our ability to navigate investment risks and opportunities in a thoughtful way helps us to deliver sustainable returns for our clients. Schroders has been incorporating financially material long-term risk and return considerations into our fundamental research and security selection process for over 21 years, to include social and environmental factors that affect investment performance. We integrate sustainability-related considerations into our research and investment decisions across Investment teams and asset classes with the aim of maximizing risk-adjusted returns for our clients[1]. ESG integration is the process of identifying, analyzing and incorporating relevant and material sustainability factors into investment decisions as well as the ongoing monitoring of portfolios and engagement with investee company or assets' management teams.

	Where appropriate, we also engage with many investee management teams and/or their key stakeholders, vote on our clients' shareholdings or otherwise seek to use our influence, with the objective of improving investee company or asset performance in sustainability-related areas and their long-term financial health and resilience. We may choose to make an investment with a more challenging sustainability profile if we believe the opportunity is consistent with the relevant investment strategy and has an appropriate risk-adjusted return profile.
SGA	Strategic Global Advisors, LLC ("SGA") is committed to responsible investing and promoting responsible practices while enhancing economic outcomes for our clients. Since our founding, SGA has integrated environmental, social, and governance ("ESG") information into our investment practices across all investment strategies through fundamental research and analysis and is committed to engaging with portfolio companies to facilitate positive change. It should be noted, in our normal investment process, we do not exclude companies or industries from consideration, but rather weigh the benefits of the investment versus the risks. ESG considerations includes ESG factors that investors, asset owners, and managers consider in the context of corporate behavior. Examples of such factors can include those related to energy efficiency, waste management, labor standards, workplace safety, executive compensation, conflicts of interest and disclosure amongst numerous others. Fundamental research analysts consider ESG factors in conjunction with traditional fundamental factors and take a holistic approach in analyzing companies from a fundamental perspective, weighing the benefits of the investment versus the risks. Analysts document the basis for each investment recommendation and the key risks considered, including ESG factors.
Sumitomo SMDAM Japan	In light of the changing global environment as well as societal demand evolving from Sustainable Development Goals (SDGs), Sumitomo Mitsui DS Asset Management considers non-financial information including environmental, social, and governance (ESG) information to be as important as financial information to evaluate sustainability of issuers of stocks/bonds and investment corporations of REITs (hereinafter referred to as "investee companies"). We believe ESG analysis enables us to foresee the

	enhancing or damaging value of investee companies in the medium- to long-term. In this context we proactively take the following measures. -Taking account of the investment philosophy and investment horizon of each investment product, we incorporate analysis and evaluation of ESG and other non-financial information into the investment process, and consider them in making investment decisions. Principal adverse impacts of corporate activities on the environment and society are similarly subject to analysis and evaluation. -We aim to contribute to enhance the value of investee companies through engagement by communicating the investor's point of view, sharing ESG issues to be resolved for the medium- to long-term value enhancement, and encouraging them to take more appropriate actions. -We exercise voting rights in consideration of ESG theme related engagement. -We strive to improve the overall effectiveness of ESG investments by signing or participating in ESG-related initiatives and will work to collaborate with other institutional investors as necessary. -We collect information on ESG investments, including domestic/overseas laws/regulations, trends in ESG product needs of customers and beneficiaries, and the activities of other asset managers, in order to promote effective ESG integration. We also strive to disclose appropriate information to protect the rights of customers and beneficiaries.
TCW	As a global asset manager, our main objective is to provide the best long-term risk adjusted returns to our clients through a disciplined investment approach underpinned by in-depth, fundamental research applied to security selection and portfolio construction. As part of our efforts to fulfil our commitments to our clients, and more importantly, to understand the full breadth of risks and opportunities across our investments, we have been actively broadening and deepening the integration of material sustainability considerations across our investment teams and within the firm, and we have developed robust capabilities to provide sustainable investing solutions to our global client base.
T Rowe Price	The Global Focused Growth Equity Strategy uses ESG integration as part of its investment process. This means incorporating environmental, social and governance factors to enhance investment decisions. Our

	philosophy is that ESG factors are a component of the investment decision—meaning that they are not the sole driver of an investment decision, nor are they considered separately from more traditional analysis. The process of ESG integration takes place on two levels: first, with our research analysts as they incorporate environmental, social, and governance factors into company valuations and ratings; and, second, with the portfolio manager as he balances these ESG factor exposures at the portfolio level. Both the analysts and portfolio manager are able to leverage dedicated, in-house resources to assist them in analyzing ESG criteria. Our ESG specialist teams provide investment research on ESG issues at the company level and on thematic topics. Additionally, they have built tools to help pro-actively and systematically analyze the environmental, social and governance factors that could impact our investments. The foundation of the analysis is a proprietary flagging tool called the Responsible Investing Indicator Model (RIIM). It covers around 15,000* companies and pulls from data sets that are not in the wheelhouse of traditional financial analysis. These data sets include: ESG performance data (e.g., number of accidents, carbon emissions, strength of whistle-blower programs, etc.)
Wasatch	Wasatch was founded on the principle of thoughtful and rigorous investment research and risk management. In pursuit of strong, risk-adjusted returns for clients, Wasatch evaluates a broad range of financial and non-financial considerations as part of its investment due diligence process. Among these considerations, Environmental, Social, and Governance ("ESG") factors may be reviewed where material to the long-term performance or risk profile of an investment. The goal of integrating ESG factors into the investment due diligence process is to reduce risk and maximize returns over long-term investment horizons. The integration of ESG analysis, alongside traditional financial metrics, provides Wasatch investment professionals with a mosaic of relevant risks and opportunities that are incorporated into investment analysis. More broadly, Wasatch implements ESG initiatives firm-wide and across all managed equity portfolios. Wasatch has been a PRI signatory since 2018. Wasatch also supports the Task Force for Climate Financial Disclosures (TCFD) and Paris climate agreement, and participates in other related ESG industry groups and

	taskforces.
William Blair	Financially material ESG factors are inextricably linked with our fundamental assessment of company management and long-term value creation, as well as the sustainability of competitive strengths. Insights are primarily informed by proprietary research, including company meetings and data aggregation from multiple internal and external resources. Our assessment of potential risks and opportunities for different industries and companies is supported by a proprietary materiality framework that was developed internally by the investment teams. Building on this framework, we developed a proprietary qualitative ratings system that is aligned with our views on ESG factors that may be financially material across different industries. In addition to our proprietary research, third-party Sustainability data are systematically incorporated into our internal research platform, Summit, to provide additional context. William Blair currently utilizes MSCI as its primary third-party sustainability research provider, and routinely monitors the research vendor landscape for additional research inputs. We also continually seek expanded universe coverage and data quality improvement from our existing research providers. From a governance perspective, our key focus is on board composition, minority shareholder treatment, management incentives, and corporate culture. Environmental areas of focus include climate change, natural resources stewardship, and pollution and waste management. Social considerations include human capital management, customer well-being, supply chain management, and community relations. The materiality of these issues varies by country, industry, and company.