

LAZARD'S CAPITAL MARKETS ADVISORY GROUP

Review of Shareholder Activism — Q3 2021

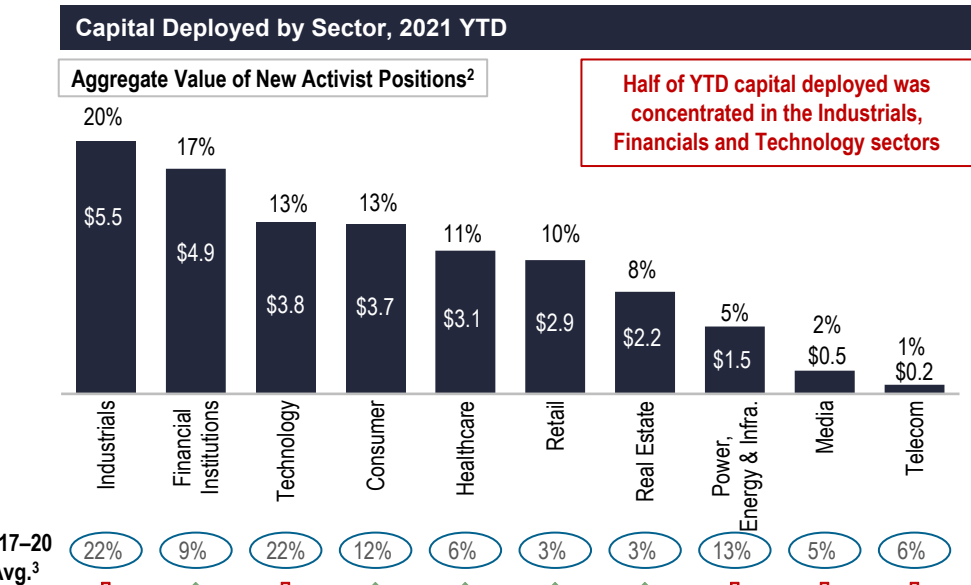
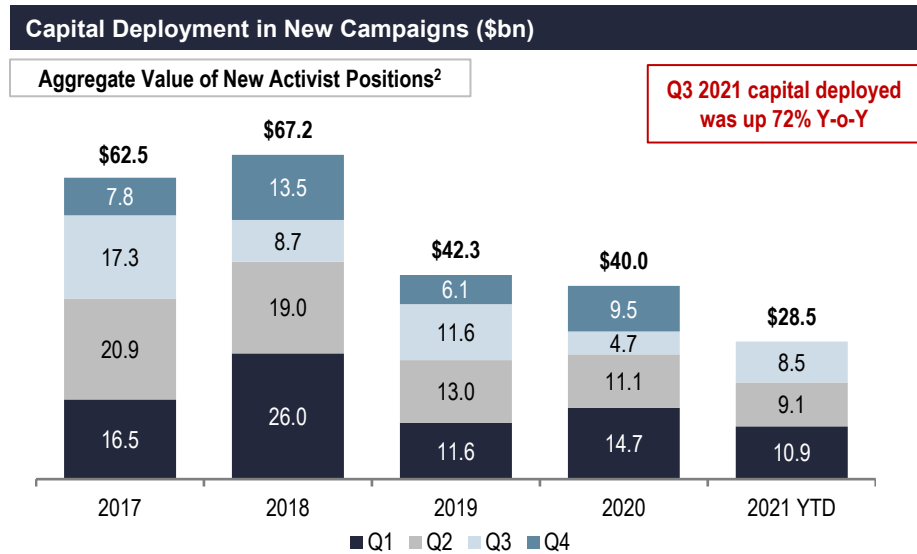
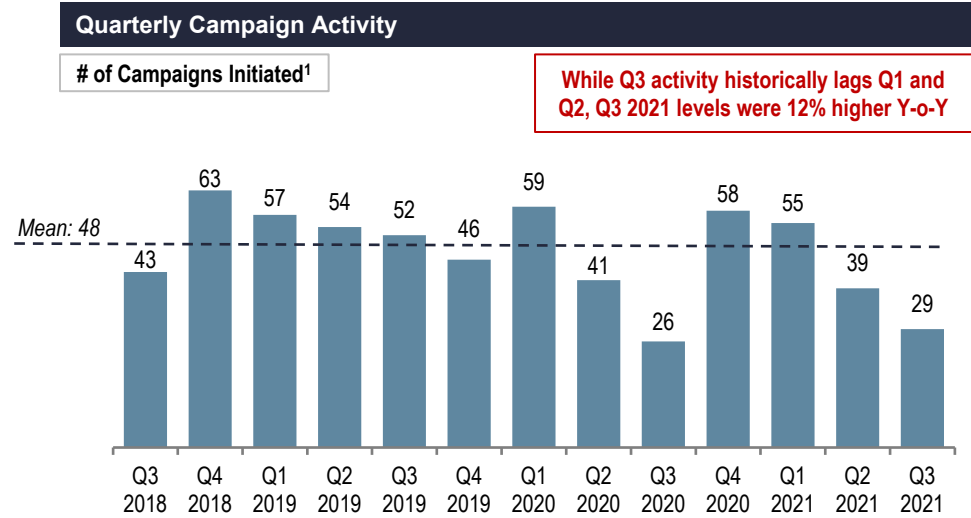
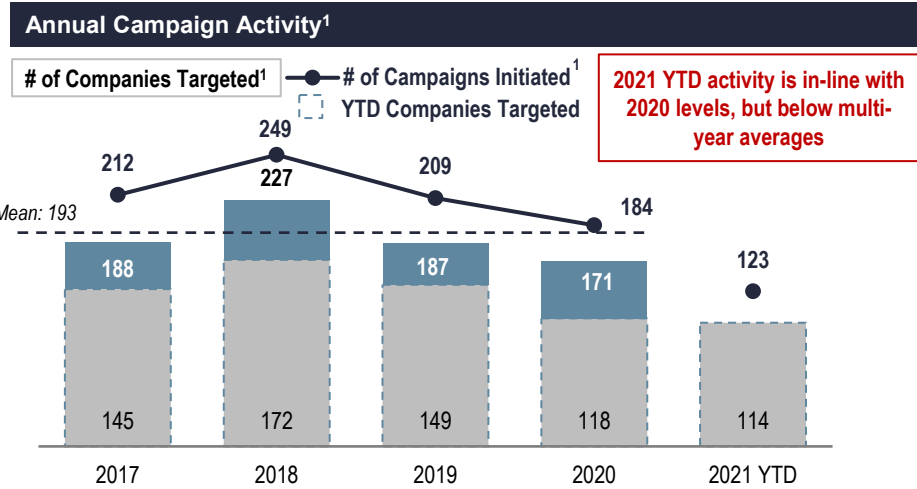
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Observations on the Global Activism Environment in Q3 2021

<p>1</p> <p>U.S. Activity Leads Global Market in 2021 YTD</p>	<ul style="list-style-type: none"> • 123 new campaigns have been initiated globally in 2021 YTD, in line with 2020 levels but below historical averages <ul style="list-style-type: none"> – Year-over-year stability primarily driven by a strong start to the year, with Q3 new campaigns launched (29) and capital deployed (\$8.5bn) below multi-year averages • U.S. share of YTD global activity (54% of all campaigns) remains elevated relative to 2020 levels (45% of all campaigns) and in-line with historical levels <ul style="list-style-type: none"> – The 66 U.S. campaigns initiated in 2021 YTD represent a 27% increase over the prior-year period • After a slow start to the year, Elliott remains the most prolific activist in terms of launched campaigns (12), with six new global campaigns reported in Q3, including Citrix, Toshiba and SSE • While YTD 2021 activity in Europe has slowed after a record-setting end to 2020, Q3 campaigns (13) represent a slight uptick from Q1 and Q2 levels <ul style="list-style-type: none"> – The U.K. is sharply in activist cross-hairs, representing 41% of European campaigns compared to 35% historically and attracting over three times the amount of campaign activity than other geographies • The close of Q3 and beginning of Q4 have seen elevated new campaign activity (15+ new campaigns between 9/27 and 10/8), potentially portending a busy end to 2021
<p>2</p> <p>Fewer Number of Board Seats Secured by Activists</p>	<ul style="list-style-type: none"> • 73 Board seats have been won by activists in 2021 YTD, below historical average levels <ul style="list-style-type: none"> – While H1 Board seat activity was stable relative to prior years, only two new Board seats were won in Q3, an unusually low level • Through Q3, only 10% of Board seats secured by activists were won through final proxy votes, below the multi-year average of ~17% <ul style="list-style-type: none"> – High-profile examples of activists running proxy fights all the way to unsuccessful final votes include Starboard/Box and Legion/Genesco • Ancora,¹ Starboard and Elliott have together accounted for over a quarter of Board seats won YTD
<p>3</p> <p>M&A Related Activism Centers on Opposition to Deals</p>	<ul style="list-style-type: none"> • 45% of all activist campaigns in 2021 YTD have featured an M&A-related thesis, above the multi-year average of 39% • Scuttling or sweetening an announced transaction remained the most prominent M&A demand, accounting for 53% of such campaigns YTD <ul style="list-style-type: none"> – In a prominent example of scuttle/sweeten M&A activism, TCI's open criticism of Canadian National's proposed acquisition of Kansas City Southern has ripened into a contentious proxy fight – While 100% of H1 2021 M&A-related campaigns in Europe were focused on opposing announced transactions, Q3 saw the return of campaigns pushing for a sale, break-up or divestitures
<p>4</p> <p>ESG Investing in Focus</p>	<ul style="list-style-type: none"> • Investor statements regarding their integration of ESG considerations have come under increasing scrutiny, with a wide range of regulators and market commentators questioning investor claims <ul style="list-style-type: none"> – BlackRock, Vanguard and State Street remain targets of scrutiny even as they continue to support ESG-related proposals at accelerating rates • Nevertheless, inflows into U.S. ESG funds continued their record-breaking pace, as passive funds attracted the majority of YTD inflows (\$31.4bn vs. \$19.9bn in actively managed funds) • There has been much interest in how Engine No. 1 would follow up its successful proxy fight at ExxonMobil; thus far, the activist has launched its own ETF and published a white paper in support of GM's electric vehicle ambitions

Global Campaign Activity and Capital Deployed

(\$ in billions)



Source: FactSet, press reports and public filings as of 9/30/2021.

Note: All data is for campaigns conducted globally by activists at companies with market capitalizations greater than \$500 million at time of campaign announcement; select campaigns with market capitalizations less than \$500 million at time of announcement included during the COVID-19 pandemic-induced market downturn.

1 Companies spun off as part of campaign process counted separately.

2 Calculated as of campaign announcement date. Does not include campaigns in which the size of the activist stake is not publicly disclosed.

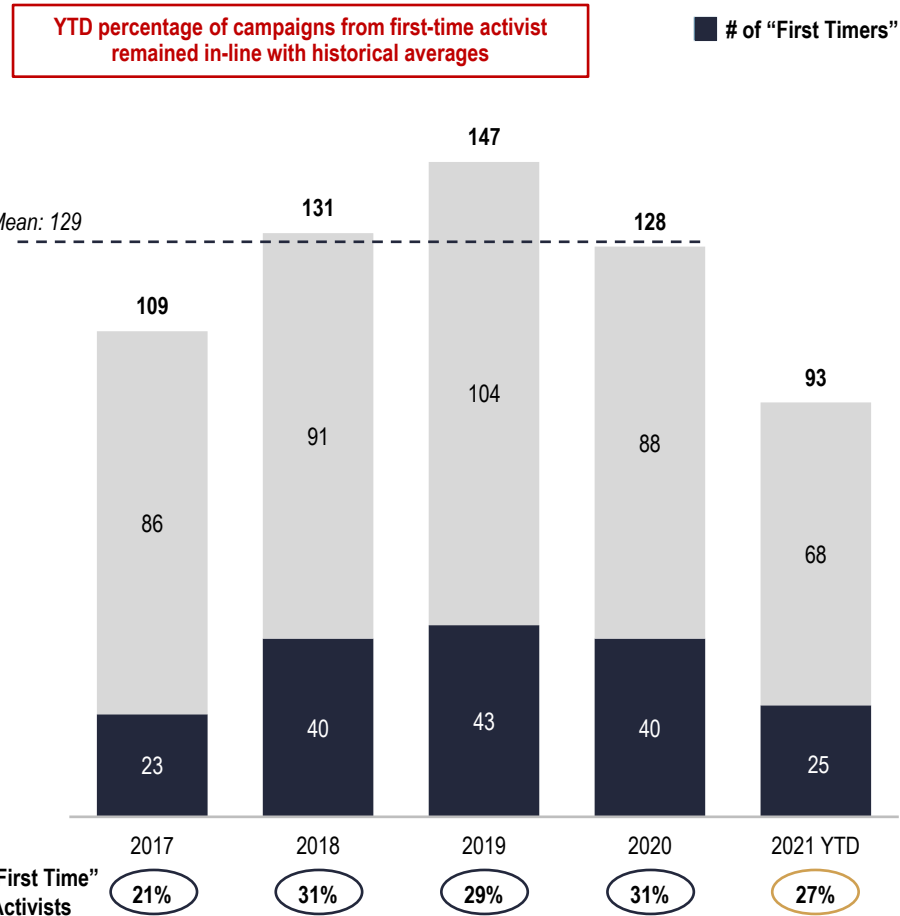
3 4-year average based on aggregate value of activist positions.

Global Activist Activity in 2021 YTD

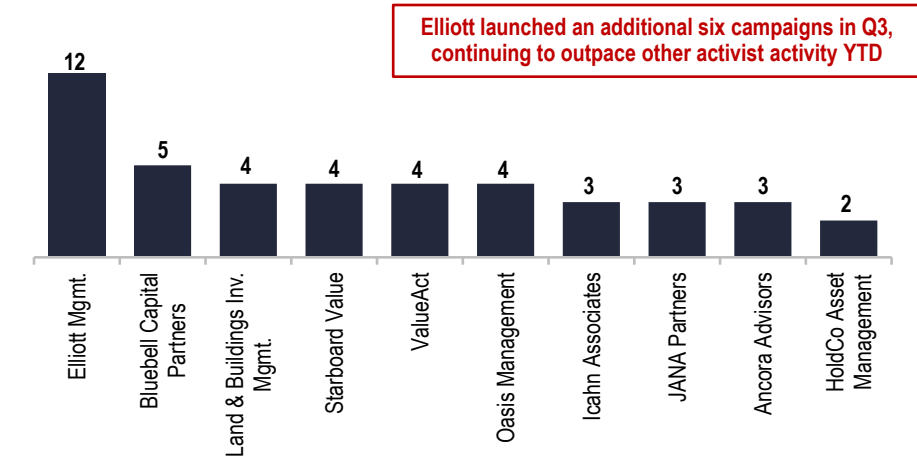
(\$ in billions)

Elliott has dominated 2021 activity and has been especially active in Q2 and Q3, with five and six new campaigns in each respective period

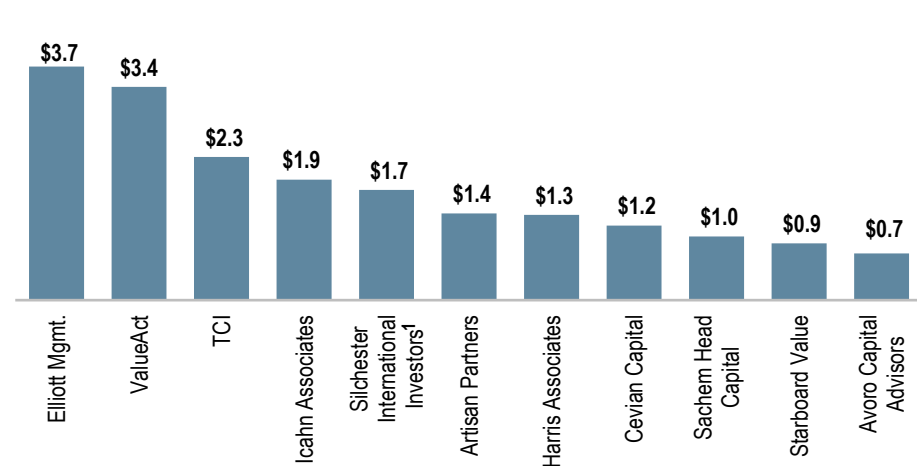
Investors Launching Activist Campaigns



Activist Activity by Campaigns Launched, 2021 YTD



Capital Deployed (\$bn), 2021 YTD



Source: FactSet, press reports and public filings as of 9/30/2021.

Note: All data is for campaigns conducted globally by activists at companies with market capitalizations greater than \$500 million at time of campaign announcement; select campaigns with market capitalizations less than \$500 million at time of announcement included during the COVID-19 pandemic-induced market downturn.

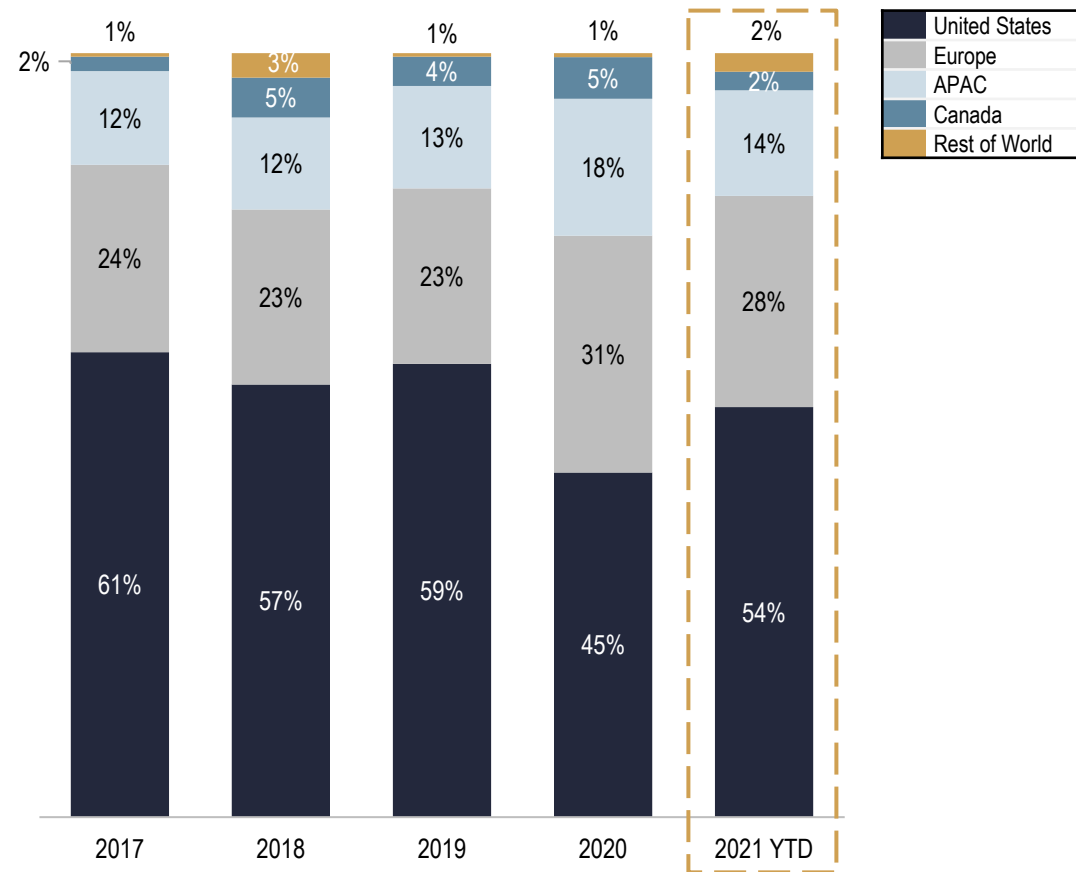
1 Includes the positions of J.O. Hambro, Legal & General, M&G and Silchester in Wm Morrison.

Regional Trends in YTD Global Activity

(\$ in billions)

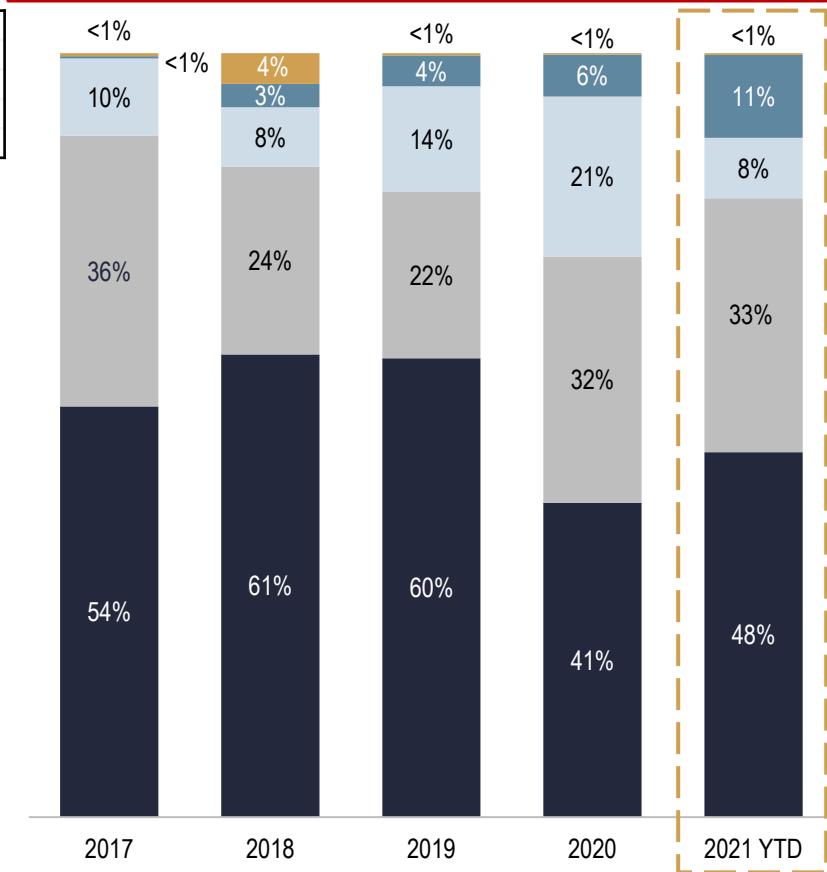
2021 YTD U.S. activity remains elevated compared to 2020 levels, representing 54% of global campaigns (up from 45%) and 48% of global capital deployed (up from 41%); European activity is above historical share, but below 2020, a year when ROW activism represented an outsized percentage of activity; new campaign activity in APAC and Canada stalled in Q3 2021 after a strong start to the year

Regional Breakdown of Campaigns Initiated by Year



Regional Breakdown of Capital Deployed by Year

Y-o-Y increase in Canada reflects TCI's \$2.3bn stake at Canadian National

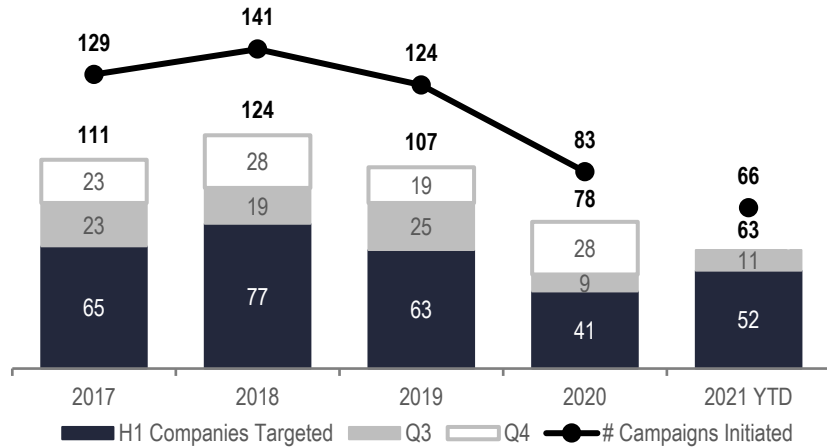


U.S.: Campaign Activity and Capital Deployed

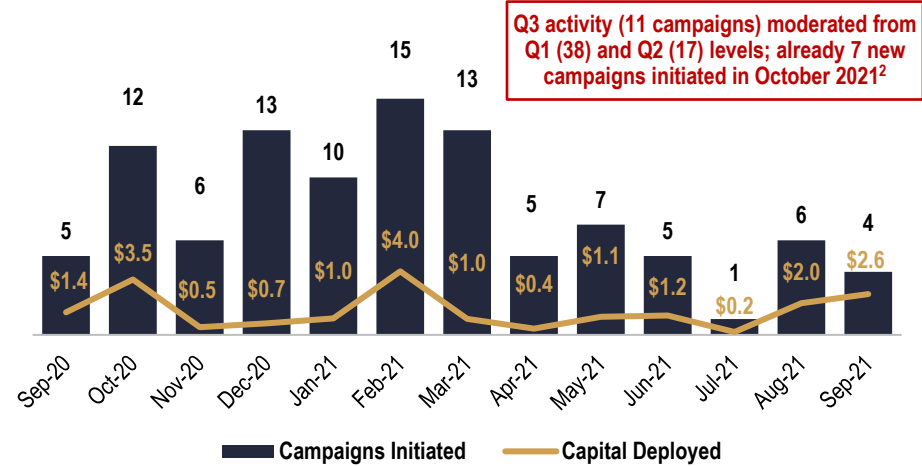
(\$ in billions)



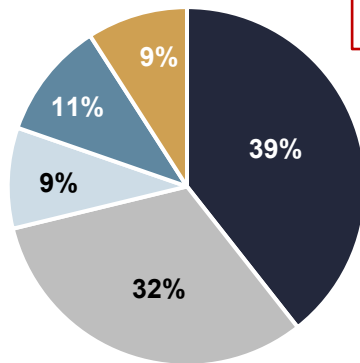
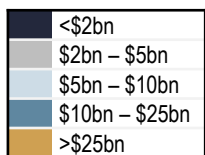
U.S. Annual Campaign Activity¹



U.S. Campaign Activity by Month (LTM)

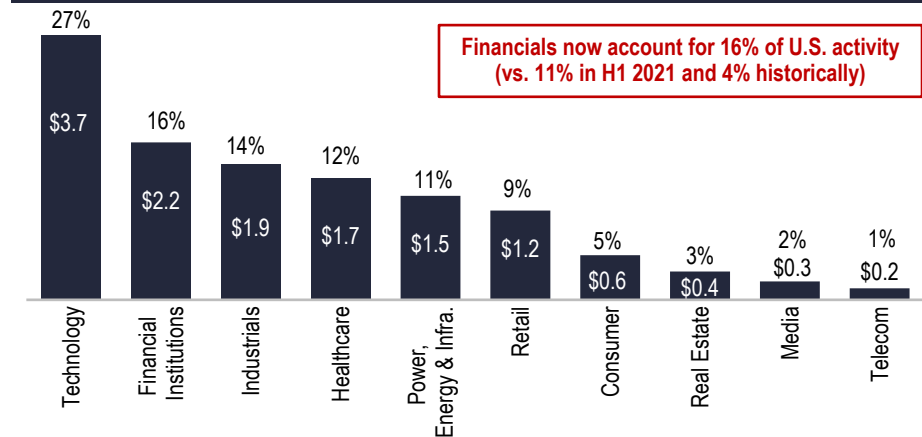


U.S. Market Cap. Breakdown of New Campaigns, 2021 YTD³



Small-cap companies (<\$5bn) continue to be the primary targets of activist campaigns

U.S. Capital Deployed by Sector³, 2021 YTD



Financials now account for 16% of U.S. activity (vs. 11% in H1 2021 and 4% historically)

2017–20 Avg.⁴



Source: FactSet, press reports and public filings as of 9/30/2021.

















Note: All data is for campaigns conducted globally by activists at companies with market capitalizations greater than \$500 million at time of campaign announcement; select campaigns with market capitalizations less than \$500 million at time of announcement included during the COVID-19 pandemic-induced market downturn.

1 Companies spun off as part of campaign process counted separately.
 2 As of 10/8/2021.
 3 Calculated as of campaign announcement date.
 4 4-year average based on aggregate value of activist positions.

U.S.: Notable Q3 2021 Public Campaign Launches and Developments



(\$ in billions)

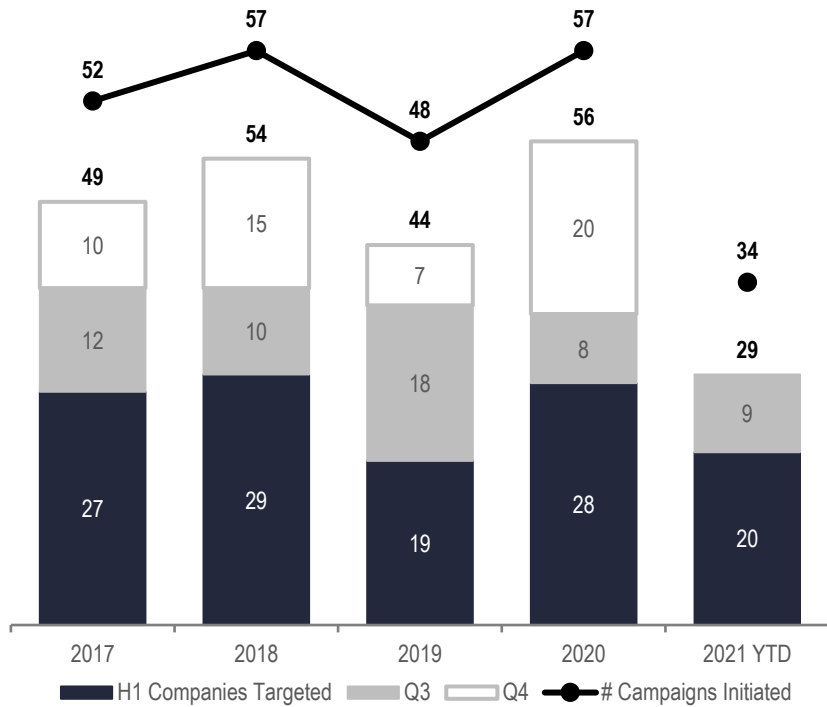
Launch Date	Company / Market Cap	Activist	Highlights	Launch Date	Company / Market Cap	Activist	Highlights
9/21	 HUNTSMAN Enriching lives through innovation \$6.2	 STARBOARD VALUE	<ul style="list-style-type: none"> In September, <i>The Wall Street Journal</i> reported that Starboard had taken an 8.4% stake in Huntsman and intended to push for changes at the Company, though the exact demands were not disclosed 	5/21	 VONAGE \$3.4	 JANA PARTNERS LLC	<ul style="list-style-type: none"> In August, <i>Bloomberg</i> reported that JANA was pushing the Company to explore strategic alternatives, including a sale or break-up of the Company In September, <i>Bloomberg</i> reported that Vonage was working with advisers to explore strategic alternatives
9/21	 citrix \$13.2	 ELLIOTT	<ul style="list-style-type: none"> In September, <i>The Wall Street Journal</i> reported Elliott had built a ~\$1.3bn position in Citrix and intended to work with the Company to improve value; specific plans have not been disclosed <ul style="list-style-type: none"> In 2015, Elliott had called for a review of non-core assets and buybacks at Citrix Elliott's Jesse Cohn served on Citrix's Board until 2020 <i>Post 9/30 update:</i> Citrix announced that David Henshall would step down as President and CEO 	5/21	 DUKE ENERGY \$79.8	 ELLIOTT	<ul style="list-style-type: none"> In July, Elliott published a second letter reiterating its demands for new independent Directors and a breakup of the Company, claiming that recent shareholder feedback revealed skepticism of Duke's management and its ability to deliver value to shareholders
8/21	 fiserv. \$77.0	 VAC ValueAct Capital	<ul style="list-style-type: none"> In August, ValueAct disclosed a ~\$1.2bn position <i>Bloomberg</i> subsequently reported that ValueAct believed Clover, the Company's credit card processing asset, could be spun off and would be worth ~\$35-45bn 	4/21	 GENESCO \$0.8	 LEGION PARTNERS	<ul style="list-style-type: none"> In July, Legion lost its proxy fight at Genesco after all of the Company's Director nominees were re-elected at its 2021 AGM; ISS had recommended for the Company's nominees, though Glass Lewis had backed two of Legion's four nominees In September, Legion called on Genesco to repurchase shares and sell both its Schuh and Johnston & Murphy businesses
8/21	 switch \$2.7	 ELLIOTT	<ul style="list-style-type: none"> In August, Switch issued a press release disclosing Elliott had taken a stake and was collaborating with Switch on a review of operational and financial targets and the evaluation of a REIT election Elliott's Jason Genrich was appointed to the Company's Board 	9/19	 box \$2.2	 STARBOARD VALUE	<ul style="list-style-type: none"> In September, Starboard lost its proxy fight at Box after shareholders voted to re-elect all three of Box's Director nominees at the Company's AGM; ISS had recommended that shareholders vote for all of Box's nominees while Glass Lewis had recommended that shareholders vote for Starboard's Peter Feld

Europe: Campaign Activity

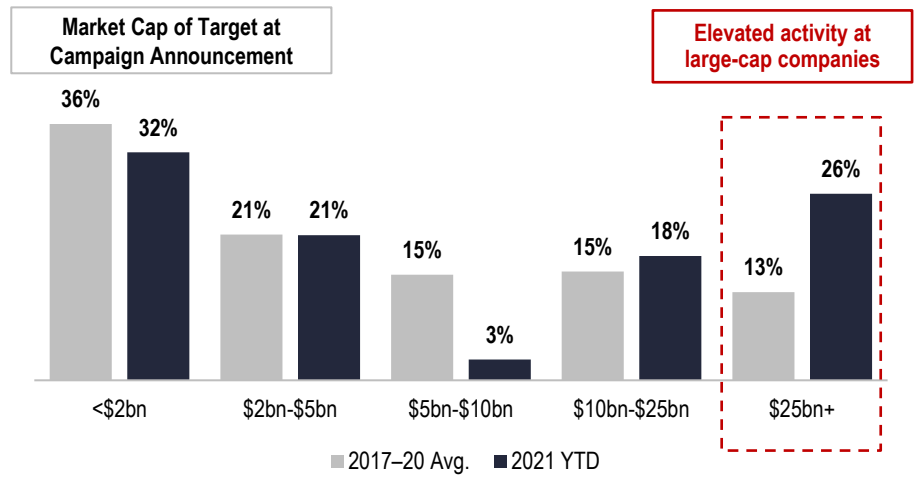
(\$ in billions)



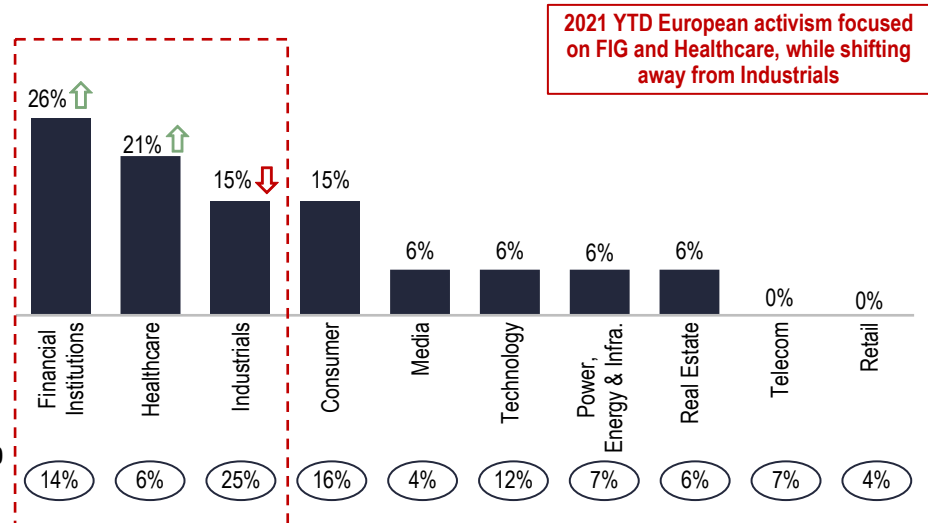
European Annual Campaign Activity¹



2021 YTD European Campaigns by Target Market Cap



2021 YTD Campaigns by Sector (in %)



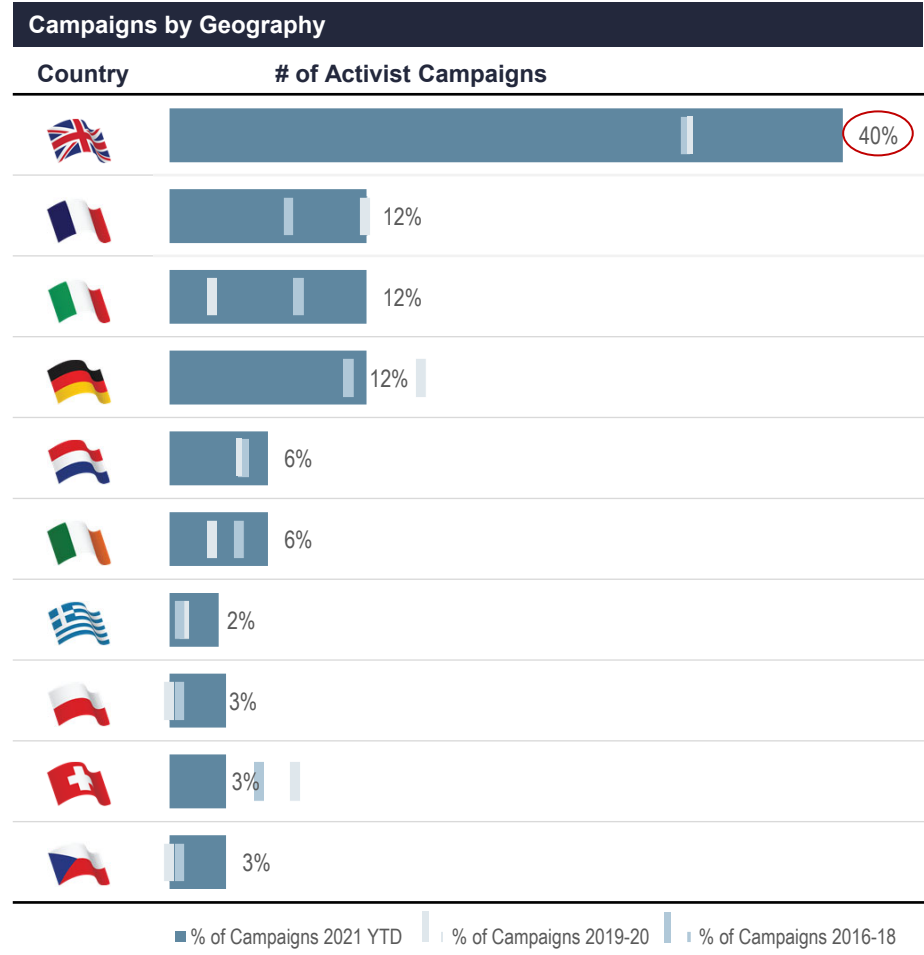
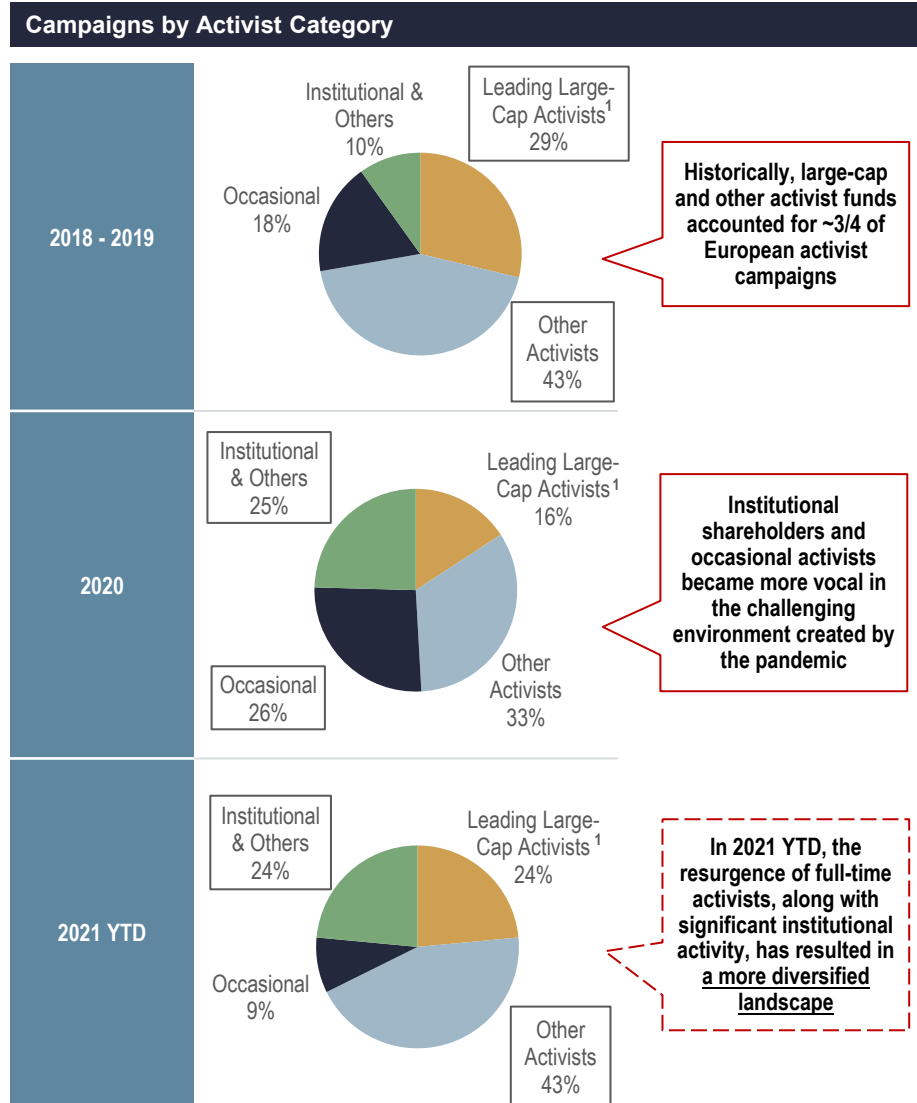
- Following a record-setting Q4 2020, new campaign activity in Europe has slowed in 2021 YTD
- However, the 13 new campaigns initiated in Q3 2021 exceed Q1 and Q2 levels and may portend another uptick to end the year

Source: FactSet, press reports and public filings as of 9/30/2021.

Note: All data is for campaigns conducted globally by activists at companies with market capitalizations greater than \$500 million at time of campaign announcement; select campaigns with market capitalizations less than \$500 million at time of announcement included during the COVID-19 pandemic-induced market downturn.

1 Companies spun off as part of campaign process counted separately.
2 4-year average based on aggregate value of activist positions.

Europe: UK in the Cross-hairs and Return of Large-Cap Activists



- **UK companies have been exceptionally targeted in 2021, attracting ~3.5 times as many campaigns as companies in any other country**
- Even by historical measures, UK companies are finding themselves at odds with shareholders more frequently than ever

Source: FactSet, press reports and public filings as of 9/30/2021.

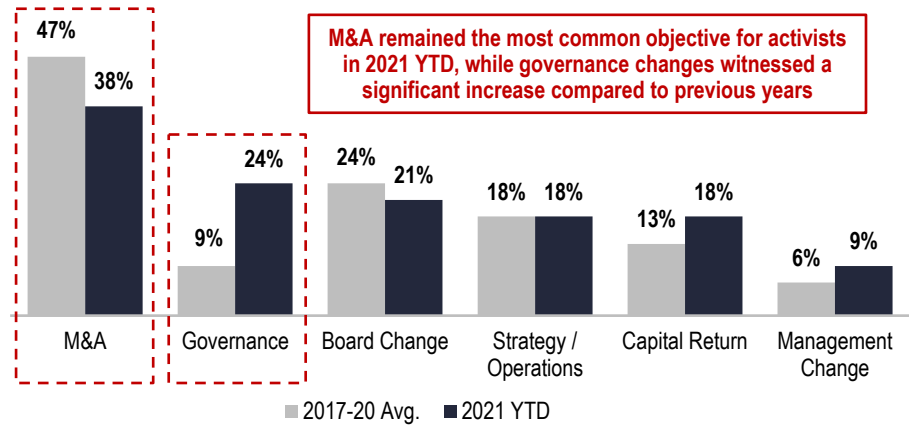
Note: All data is for campaigns conducted globally by activists at companies with market capitalizations greater than \$500 million at time of campaign announcement; select campaigns with market capitalizations less than \$500 million at time of announcement included during the COVID-19 pandemic-induced market downturn.

¹ Leading large-cap activists include Elliott Management, Third Point Management, ValueAct Capital, Triun Partners and Cevian Capital.

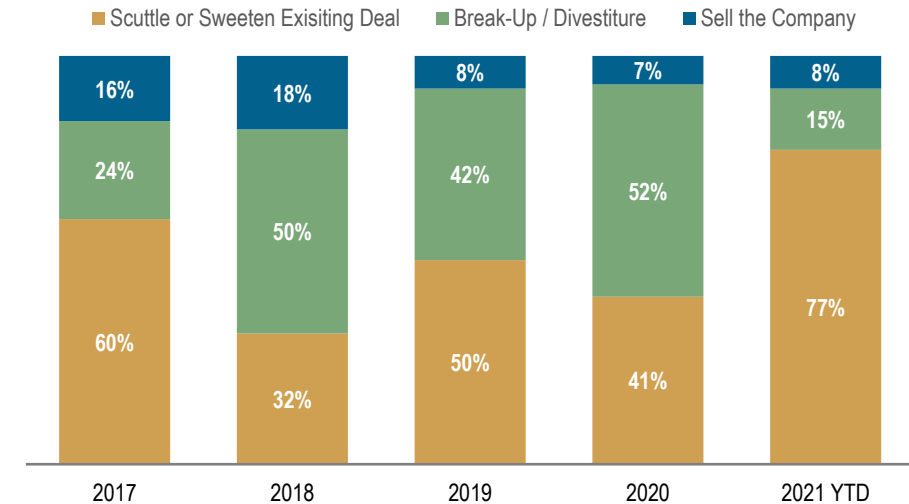
Europe: Continued Focus on M&A Thesis and Impact of Unseating Leadership



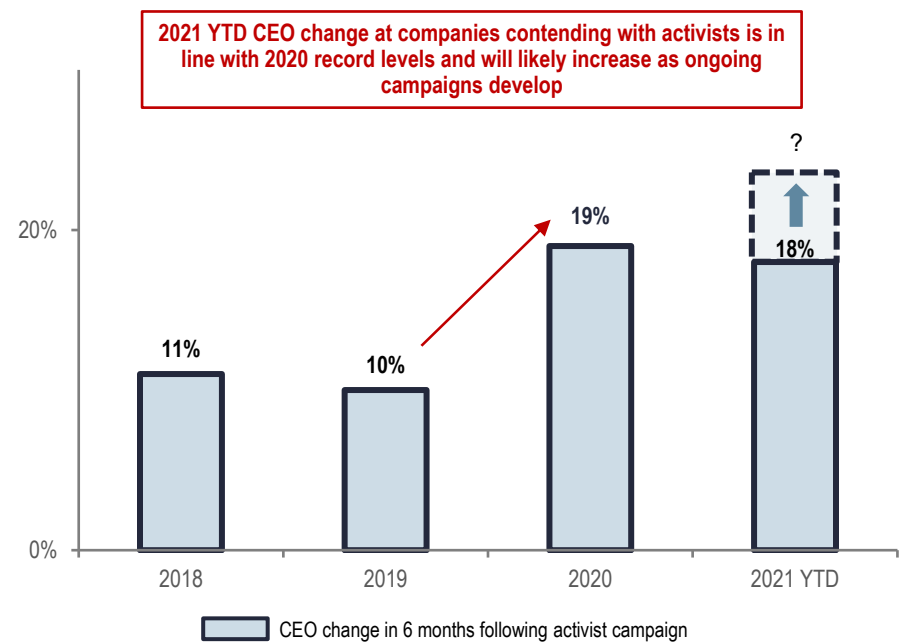
2021 YTD European Campaign Objectives



European M&A Campaign Objectives by Type



CEO Change Following European Campaigns





















- **Despite a downturn in the proportion of M&A-related activist campaigns in 2021 YTD, it remained the most common campaign objective in Europe**
 - M&A campaigns are increasingly centered on opposing announced transactions
- **Leadership change catalyzed by activist pressures has escalated since 2019, irrespective of stated campaign objective(s)**

Europe: Notable Q3 2021 Public Campaign Launches and Developments

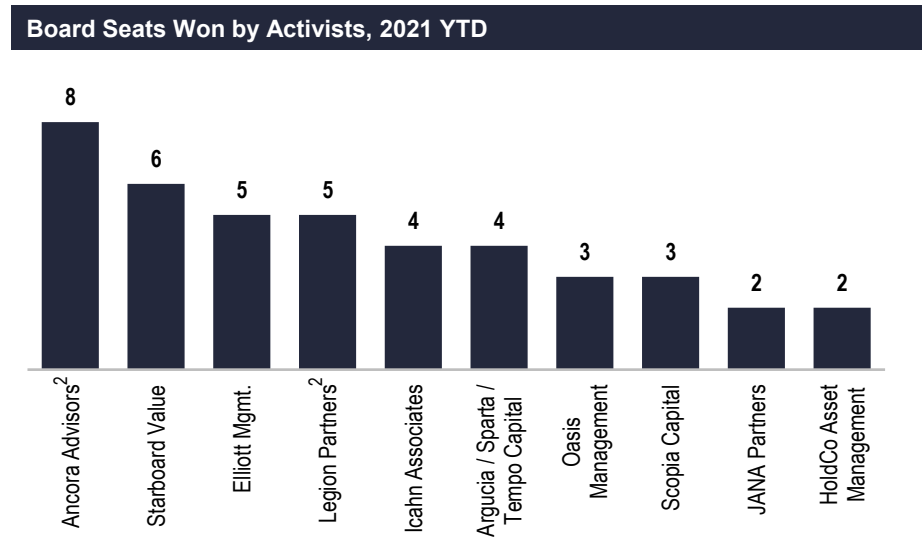
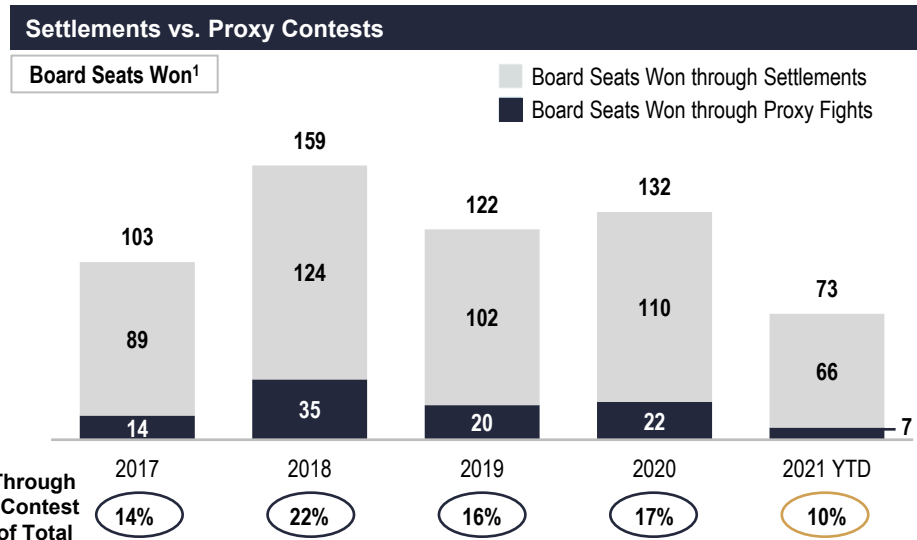
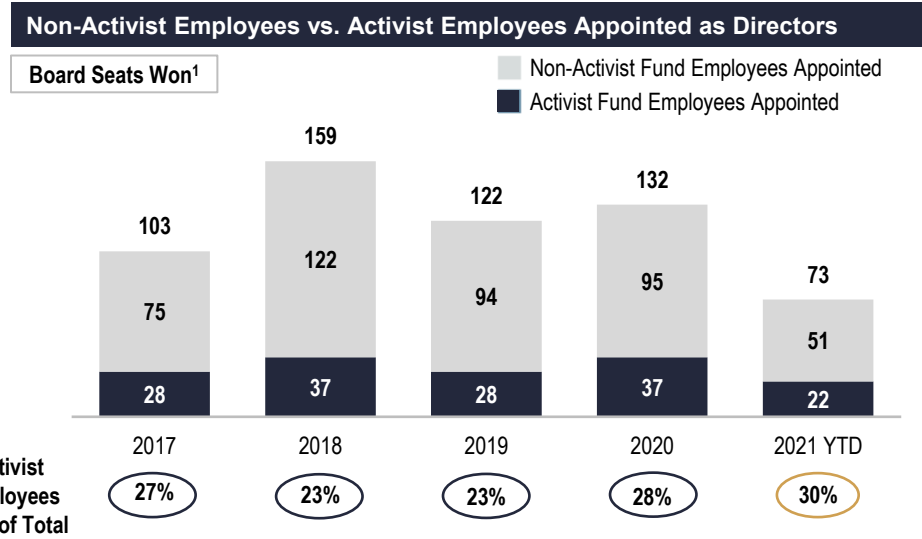
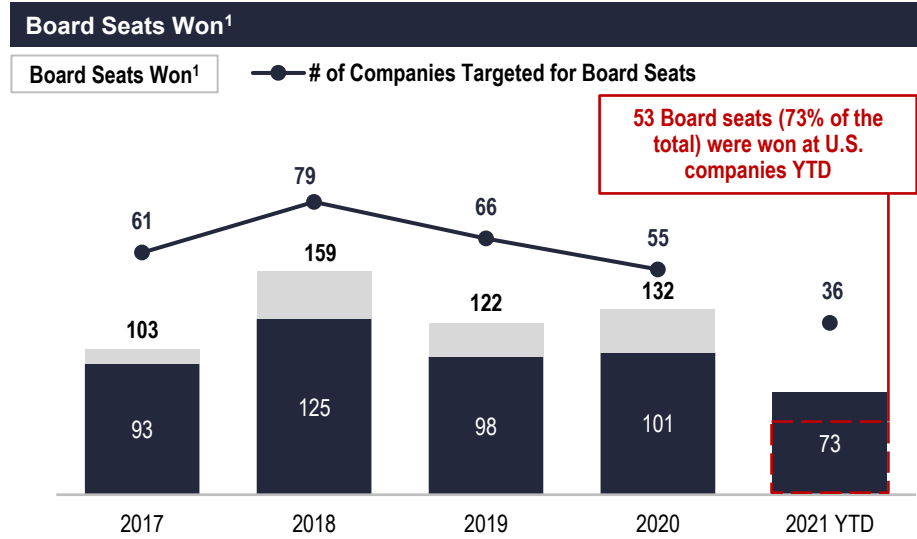


(\$ in billions)

Launch Date	Company / Market Cap ¹	Activist	Highlights	Launch Date	Company / Market Cap ¹	Activist	Highlights
7/21 9/21	 GlaxoSmithKline \$98.1 	 BLUEBELL CAPITAL PARTNERS	<ul style="list-style-type: none"> In July, Elliott initiated a campaign criticizing its persistent operational and share price underperformance and calling for Board refreshment In September, Bluebell sent a letter to GSK calling for a re-evaluation of the Board and leadership in the lead up to GSK's demerger <i>Post 9/30 update:</i> Bluebell sent a letter to GSK's Board demanding the replacement of Chairman Jonathan Symonds 	8/21	 \$23.5 		<ul style="list-style-type: none"> In August, press reported that Elliott took a large stake in SSE In September, <i>Bloomberg</i> reported that Elliott had called for a break-up of the Company's renewables and regulated electricity businesses A week later, SSE published a press release emphasizing its plans to increase capital investment and reiterating that there are currently no plans to separate the businesses
9/21	 \$26.1 	Enkraft Capital	<ul style="list-style-type: none"> In September, Enkraft Capital pushed RWE to accelerate the divestment of its coal operations to enhance its valuation as a more attractive ESG investment <ul style="list-style-type: none"> – Divesting could help close the valuation gap with pure-play renewable companies Enkraft wrote a letter to the CEO and stated that RWE was "no longer investable" to ESG investors because of its coal activities despite a significant pivot toward renewable energy 	6/21	 \$23.5 		<ul style="list-style-type: none"> In June, Cevian Capital disclosed a ~5% stake in Aviva and criticized the Company's cost structure and strategic decisions, while stating that Aviva could increase its dividend and share price The public statement followed the newly appointed CEO's decision to exit operations in several non-core countries In August, Aviva announced that it will return £4bn to shareholders after pursuing asset sales, £1bn less than what Cevian demanded
8/21	 \$13.4 		<ul style="list-style-type: none"> In August, Causeway, Rolls-Royce's largest investor, called on the incoming Chairwoman to refresh the Board of Directors and examine whether the Board had the right expertise to face the challenges ahead including the transition to net zero The investor also urged the Company to consider the disposal of its power systems business, which could reduce complexity and cut the group's debt burden 	5/21	 \$42.8 	 	<ul style="list-style-type: none"> In May, Bluebell demanded that Vivendi pay an extraordinary cash dividend with the spin-off of Universal Music Group and move a planned listing from Euronext to NYSE (or dual) In June, Bluebell sent a letter to the French regulator (AMF) raising concerns that the spin-off was considered without informing investors or seeking their approval A few days later, Artisan Partners said it would vote against Vivendi's planned spin-off Later in June, the separation resolution passed with ~99% approval from shareholders

Global Board Seats Won

73 Board seats have been won by activists YTD, a decrease of ~28% year-over-year; 90% of seats secured have been through settlements, tracking above historical averages



Source: FactSet, press reports and public filings as of 9/30/2021.

Note: All data is for campaigns conducted globally by activists at companies with market capitalizations greater than \$500 million at time of campaign announcement; select campaigns with market capitalizations less than \$500 million at time of announcement included during the COVID-19 pandemic-induced market downturn.

1 Represents Board seats won by activists in respective year, regardless of the year in which the campaign was initiated.

2 Includes seats won by Ancora, Legion Partners, Macellum Advisors and 4010 Capital at Kohl's.

Starboard’s Unsuccessful Proxy Fight at Box

Starboard’s high-profile campaign at Box ended in defeat for the activist’s three nominees

Campaign Timeline

- In September 2019, Starboard filed a 13D disclosing a 7.5% stake in Box
- In March 2020, Starboard and Box agreed to add three new Directors and create a new Board committee with the mandate to “identify and recommend opportunities for further improvement in growth and margin performance”
- In April 2021, Box announced that KKR would make a \$500mm convertible preferred investment in the Company in exchange for one Board seat
 - Starboard argued that KKR’s investment was a defensive tactic “transparently done to insulate management and the Board”
- In May 2021, Starboard sent a letter to the Board outlining disappointment with continued poor results, frustration with shareholder returns and capital allocation decisions and a new plan to nominate independent Directors
- In June 2021, Starboard publicly challenged the legality of KKR’s investment in Box and submitted a books and records request to Box in order to investigate the investment; Box declined the request, claiming it did not establish a credible basis for any wrongdoing
- In July 2021, Box released its proxy statement which claimed Starboard had been invited to participate in the KKR investment as part of a potential settlement offer, but all offers were rejected as the Company was not willing to install Starboard managing member, Peter Feld, to the Board
- In August 2021, Starboard publicly announced its plan to boost performance at Box and advanced its call for Board seats
- In September 2021, Box’s three Director candidates were re-elected
 - Vanguard issued a voting bulletin announcing its support of Box’s slate due to insufficient time since the 2020 settlement to draw conclusions about performance, recent Board refreshment and governance improvements – each of which indicated responsiveness to shareholders


Voting Results

	% Voted FOR ^{1,2}	ISS Recommendation	Glass Lewis Recommendation	Elected?	
Management	Dana Evan	33%	WITHHOLD	DO NOT VOTE	✓
	Peter Leav	56%	FOR	DO NOT VOTE	✓
	Aaron Levie	60%	FOR	DO NOT VOTE	✓
Dissident	Debora Conrad	14%	DO NOT VOTE	AGAINST	✗
	Peter Feld	20%	DO NOT VOTE	FOR	✗
	Xavier Williams	14%	DO NOT VOTE	AGAINST	✗

Proxy Fight Commentary


“We believe Peter Feld wants to be on the Board because **the Box Board of Directors (including the two Starboard-approved Directors) exercised independent judgment to act in the best interests of all stockholders** rather than capitulate to Starboard’s demands”

BOX, 9/12/2021



“We have covered tech/software for 18 years and have never come across a company that is a leader in a \$40bn TAM and continues to mis-execute so badly...**It is also amazing to us the Board of Directors has done nothing to push the issue**”

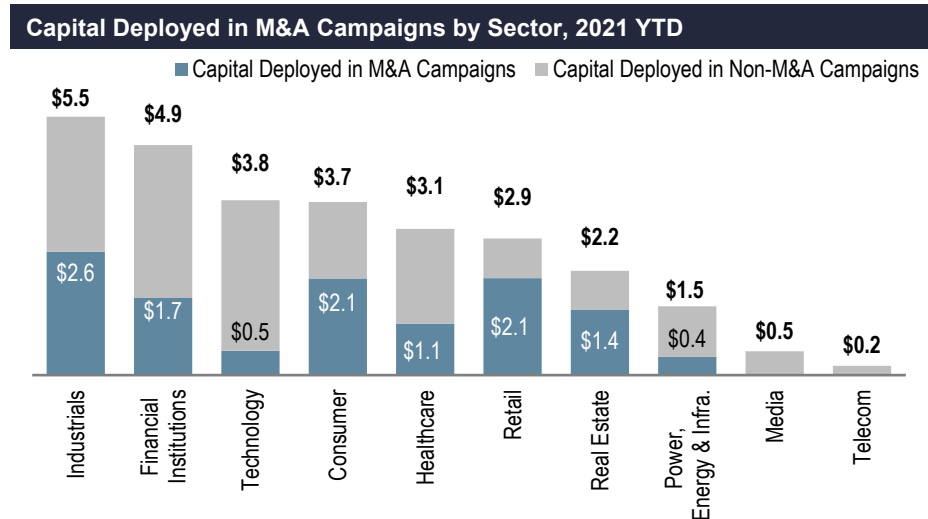
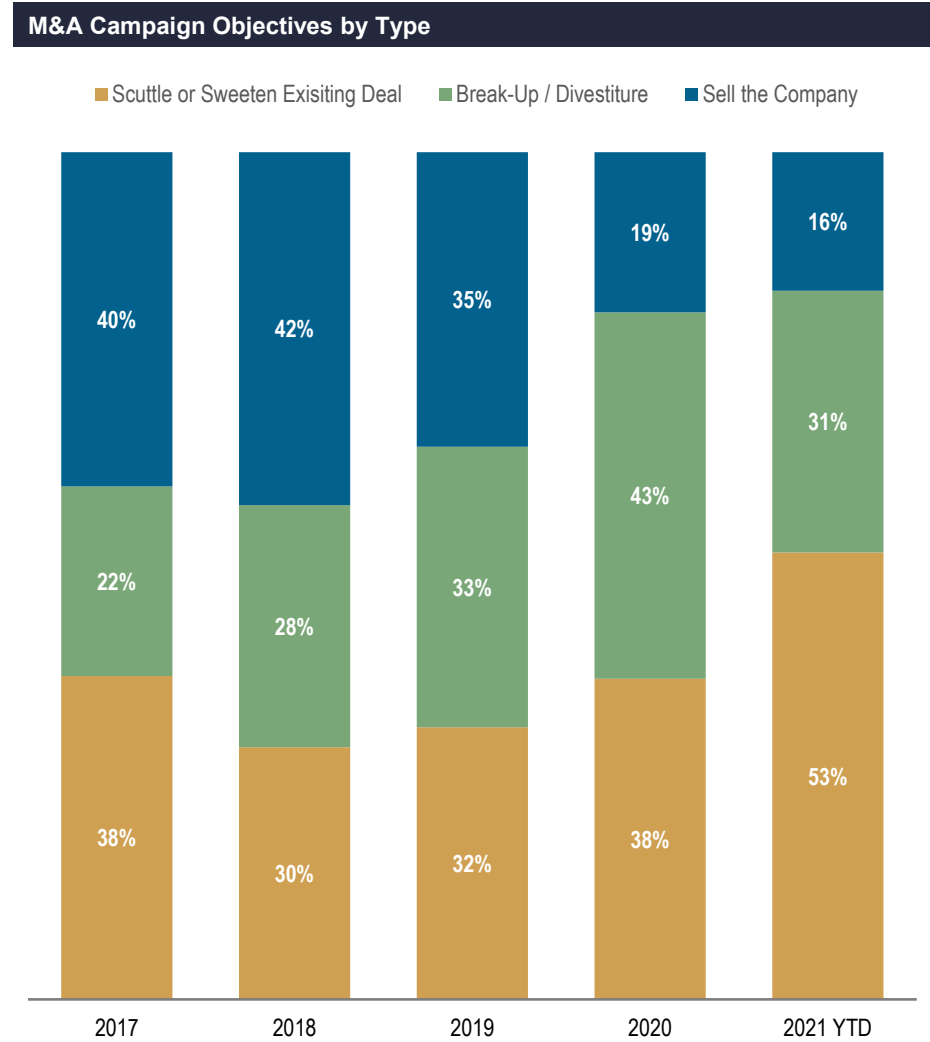
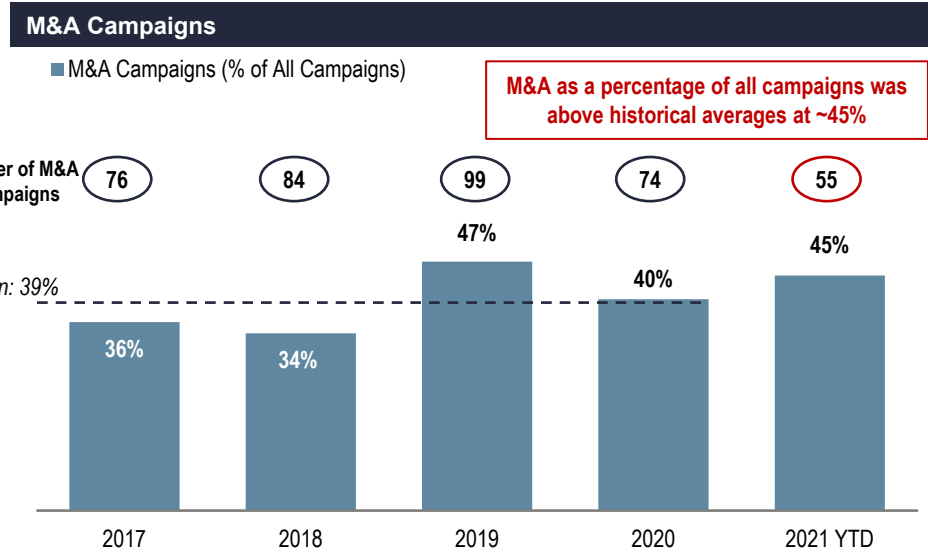
STARBOARD, 8/9/2021



Sustained Prominence of M&A-Related Campaigns Globally

(\$ in billions)

The mix of M&A-related activism continued to shift towards challenging existing transactions



TCI's M&A Campaign Leads to Proxy Battle at Canadian National

TCI's campaign at Canadian National, which originated as an assertive attempt to scuttle the Company's acquisition of Kansas City Southern, has evolved into a closely-watched proxy fight

Campaign Timeline

- **In April 2021, Canadian National ("CN") put forth a ~\$34bn bid for Kansas City Southern ("KCS"), several weeks after KCS had agreed to a sale to Canadian Pacific ("CP") for ~\$25bn**
- **In May 2021, TCI, a large shareholder of both CN and CP, sent a letter to CN's Board demanding the Company abandon its bid amid regulatory uncertainty**
 - TCI founder, Christopher Hohn, sent a letter suggesting such a transaction would be "negligent and hugely irresponsible" after the Surface Transportation Board ("STB") indicated it would not rule on CN's proposed voting trust agreement until after the deal had closed
- **In August 2021, CP increased its bid for KCS to ~\$31bn, prompting KCS to reject the offer and adjourn a meeting scheduled to vote on the CN merger until the STB issued its vote**
 - TCI filed a 13D on August 18, increasing its stake in CN to 5.2% (from 4.2%)
- **After the STB announced it would reject the use of the voting trust agreement for a CN-KCS transaction on August 31, KCS stated it considered CP's bid "superior" and then entered into a merger agreement on September 15**
- **In September, the situation at CN pivoted to TCI's proxy battle, which remains ongoing**
 - TCI has since called for the resignation of CN Chairman Robert Pace and CEO Jean-Jacques Ruest; Hohn's letter called the Board's sanctioning of the KCS bid "an egregious failure of oversight and there must be accountability"
 - TCI announced it would requisition a special meeting of shareholders (set for March 22, 2022) to nominate Directors to CN's Board, claiming change was needed to address operational and governance failings, and unveiled a slate of four nominees
 - Caisse de dépôt et placement du Québec sent a letter to CN expressing support for its pursuit of KCS in May and voiced support for CN in its battle with TCI
 - TCI sent a letter to Pace further criticizing the Board's "commitment to good corporate governance" following its handling of Director Julie Godin's resignation
- **In October, CN issued a public statement challenging the validity of certain statements and arguments made by TCI**

Shareholder Vocalism

"[Canadian National] actually did their homework .. We thought it was a good deal. These kind of opportunities happen very rarely ... **The outcome was different than expected, but they were rigorous in the process**"

"**It's pretty rare you actually see an activist sitting on both sides of the trade with two potential buyers. So one has to understand or question what are the real motivations here.**"

CHARLES EMOND INTERVIEW WITH BLOOMBERG, 9/22/2021



TCI Commentary

"CN's unsuccessful bid for Kansas City Southern exposed a basic and fundamental misunderstanding on the part of the Board of the current state of the railroad industry and regulatory environment. **The Board, which lacks meaningful railroad operational experience, consistently misjudged the Surface Transportation Board and displayed flawed decision making, committing billions of dollars to an ill-conceived pursuit of what was, in reality, an unattainable asset.** From the start, it was clear the bid would fail. That the Board sanctioned the bid, together with potential termination fees of approximately \$2 billion, is a failure of oversight and there should be accountability.

Assembling a Board with no meaningful railroad operational experience is itself a reflection of poor corporate governance that should be rectified as soon as possible."

TCI PROXY CIRCULAR, 8/9/2021



Updates to the ESG Landscape

A deepening scrutiny of ESG claims has been one of the key themes of the quarter, as regulators hone their approach and market observers call into question the claims of ESG-focused investors

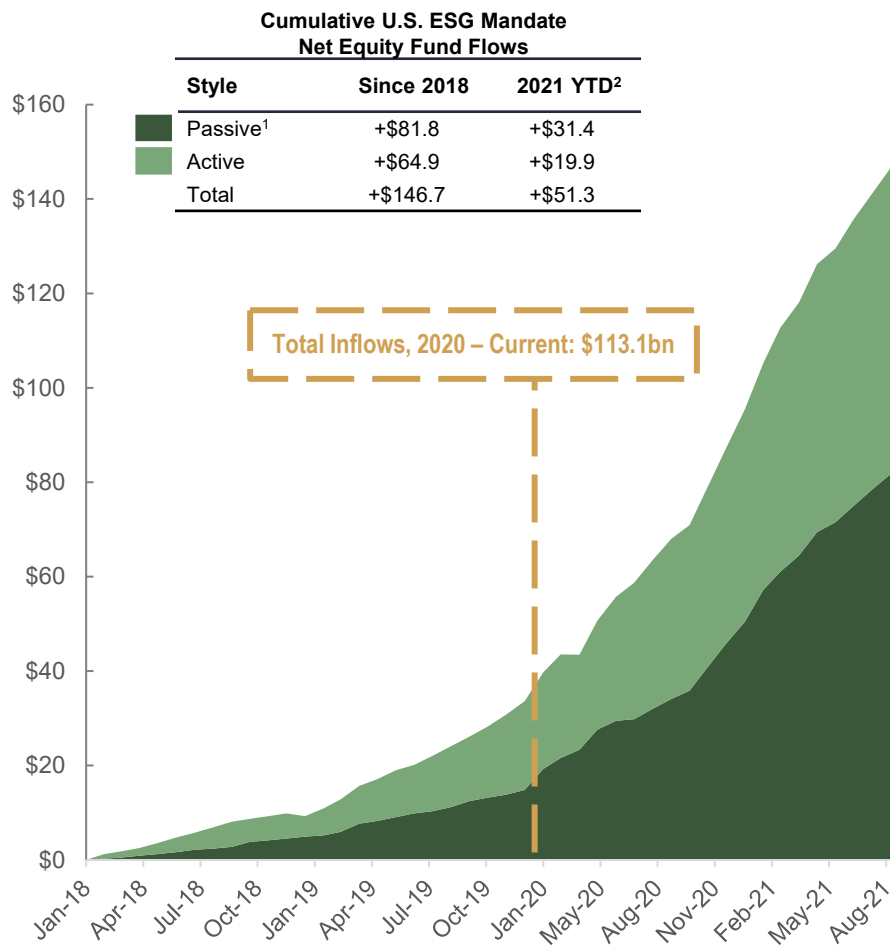
<p>Growing Scrutiny of ESG Claims</p>	<ul style="list-style-type: none"> Increasing market participant and observer sophistication on ESG issues has led to deepening scrutiny of investor statements <ul style="list-style-type: none"> <i>The Wall Street Journal</i> reported that the SEC and U.S. Justice Department were investigating DWS Group following allegations from the asset manager's ex-head of sustainability that the firm overstated the extent to which it utilized ESG considerations A sample letter from the SEC highlighted the approach it may take in scrutinizing environmental disclosures by issuers, including requests for quantified disclosure of capital expenditures on climate-related projects and carbon credits / offsets
<p>"Big 3" Remain In Focus</p>	<ul style="list-style-type: none"> The commitments of the "Big 3" (BlackRock, Vanguard and State Street) continue to come under scrutiny even as they report increasing levels of support for ESG-related proposals and priorities <ul style="list-style-type: none"> In H1 2021, Vanguard supported 50% of diversity, equity and inclusion-related and 37% of environmental-related proposals For the July 1, 2020 – June 30, 2021 period, BlackRock supported 64% of environmental proposals and 47% of E&S proposals overall In H1 2021, State Street supported 46% of climate-related proposals and voted against Board members at 43 S&P 500 companies for lack of Board diversity data disclosure
<p>Engine No. 1's ESG Focus Continues</p>	<ul style="list-style-type: none"> Following its Q2 2021 proxy contest defeat, ExxonMobil has not yet announced any major initiatives, although <i>The Wall Street Journal</i> reported that the Company has evaluated whether to issue a net zero carbon emissions pledge <i>Reuters</i> reported that Engine No. 1 has also held "cordial" discussions with Chevron regarding the Company's emissions reduction strategy, though the fund has not given any indication it intends to launch a public campaign The activist has been busy broadening its operations <ul style="list-style-type: none"> The investor has launched one ETF focused on voting and engagement with U.S. large cap companies and is reportedly launching a second focused on climate issues Engine No. 1 is also currently fundraising across its investment products The activist has also released its "Total Value Framework" detailing how it incorporates ESG concerns into traditional financial analysis <i>Post-9/30 Update: The Wall Street Journal</i> reported that Engine No. 1 had built a stake in GM and was supportive of management's actions relating to increased electric vehicle production and its long-term strategy
<p>Climate Remains in the Spotlight as COP26 Approaches</p>	<ul style="list-style-type: none"> Much of the market's focus remains on the outcomes of negotiations at the 26th UN Climate Change Conference of the Parties (COP26), being held from October 31 – November 12 <ul style="list-style-type: none"> There have been numerous net zero pledges from corporates in advance of the conference, most notably 86 new signatories joining the Amazon-backed Climate Pledge, in which signatories pledge to achieve net zero carbon emissions by 2040 There have been further commitments to net zero initiatives, including the formation of the Net Zero Financial Service Providers Alliance, which includes the "Big 4" professional services firms, S&P and Moody's, among other firms

Passive Inflows Continue to Drive Record Year for U.S. ESG Funds

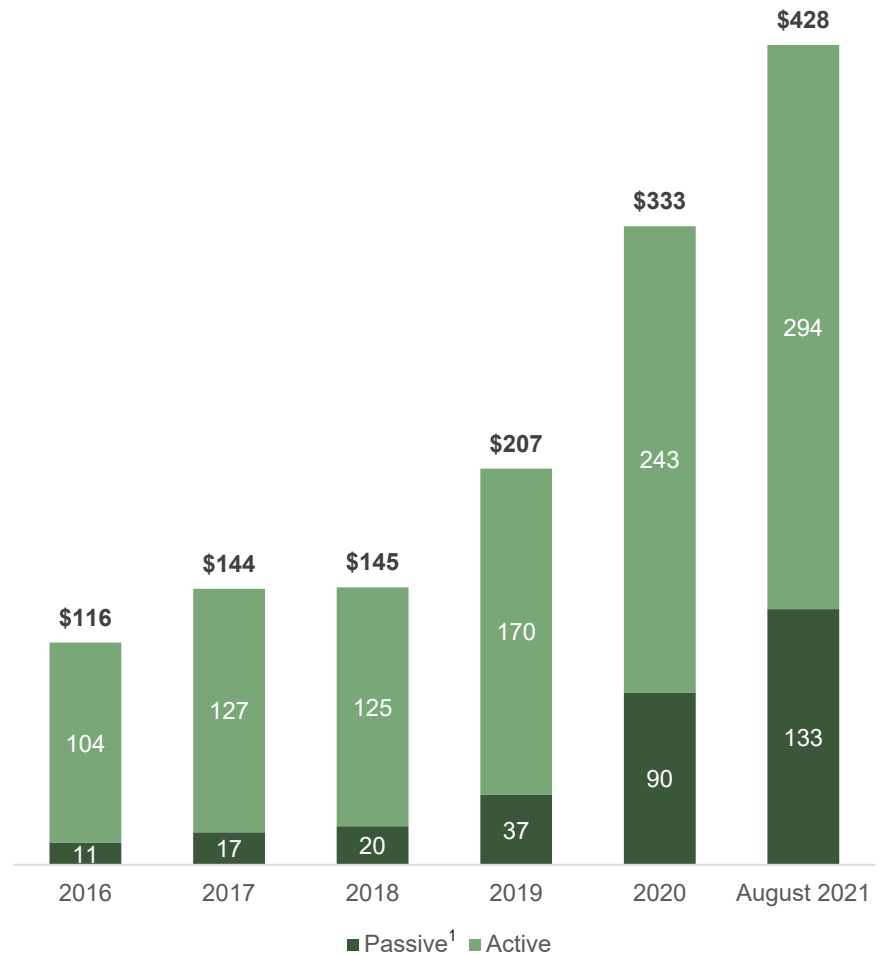
(\$ in billions)

Inflows into passive U.S. ESG-related funds continue to fuel a record pace for related inflows

U.S. ESG Mandate Net Equity Fund Flows (\$bn), 2018 – August 2021



U.S. ESG Mandate Equity Fund AUM (\$bn), 2016 – August 2021



Source: SimFund, press reports and public filings.
 Note: U.S. "ESG Mandate" funds comprise those with explicit ESG investment criteria.
 1 Includes both ETFs and index mutual funds.
 2 Reflects inflows through August 2021.

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