FOURTH QUARTER 2023

COHO PARTNERS, LTD.

Coho Relative Value ESG

Sample Due Diligence Questionnaire

www.cohopartners.com

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Sample Due Diligence Questionnaire

1. **Legal Name and mailing address of Manager**
   Coho Partners, Ltd.
   300 Berwyn Park, 801 Cassatt Road, Suite 100
   Berwyn, PA 19312

2. **Website address for the firm**
   www.cohopartners.com

3. **Please provide a brief history of your organization.**
   Coho Partners Ltd., founded in 1999, is an independent, employee-owned investment management firm headquartered in Berwyn, Pennsylvania. The firm was registered with the Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940 on March 30, 2001.

   Coho's focus, since inception, has been to generate a specific, asymmetric pattern of returns that offers strong protection in down markets and competitive returns in up markets.

4. **Has your organization been involved in any business litigation or legal proceedings related to investment activities, or been investigated by the SEC, NYSE, or any other regulatory agency or self-regulated organization?**
   No. Coho Partners Ltd. has not been involved in business litigation or legal proceedings related to investment activities and has never been investigated by any regulatory agency or self-regulatory organization.

5. **Discuss the firm's culture.**
   Coho's culture is intentional and nurtured by mission-driven ideals shared by each employee. We value integrity, transparency, focus, collaboration, humility, and ownership.

   - **Integrity – we do what we say**
     - Exhibit strong moral principles, honesty in all things
     - Keep promises and follows through on commitments
     - Choose to do the right thing, even when it is difficult
     - Treat everyone with equality and respect
     - Intellectually honest, seeking truth and making decisions based on facts

   - **Transparency – what you see is what you get**
     - Open, honest, and frequent communication with clients and colleagues
     - Accessible, demonstrate an open-door policy

- No hidden agendas or politics, seek to minimize red tape and bureaucracy
- Genuine and authentic, represent one's true nature and beliefs

- **Focus – one boat, many oars**
  - Focused on the success of the investment strategy and striving for excellence, a shared sense of purpose
  - Seek to develop deep expertise, has high standards for themselves
  - Dedicated to clients, the team, our community, our craft and principles of responsible investing
  - Demonstrate a strong work ethic and passion for one's role
  - Intentional in thoughts and actions. Decision making in line with Coho's investment discipline, culture, and values

- **Collaboration – open doors, open minds**
  - Embrace the idea that we can obtain greater results as a team than individually
  - Share information freely, actively seek out and consider feedback from others to inform decisions
  - Build and promote trust among colleagues; supportive and encouraging
  - Demonstrate openness to diversity in people and ideas

- **Humility – challenge, be challenged**
  - Self-aware, recognize own strengths and weaknesses
  - Act with confidence but not arrogance
  - Demonstrate a low ego, acknowledge that my way is not always right
  - Openly admit to mistakes, recognizing it as an opportunity to learn and grow
  - Dedicated to constant improvement in skills and knowledge, open to constructive criticism

- **Ownership – ownership mentality**
  - Independent in thinking, freedom to make the right choice for Coho
  - Self-starter, take initiative even if it falls outside of one's role
  - Perpetual planning for the future, make decisions with future generations in mind
  - Reinvest in the firm even if it means sacrificing in the short-term
  - Continually think about how to make Coho a better place
  - Part of the Coho family, care about colleagues both professionally and personally

Personnel

6. Please provide brief biographies for the firm's investment team.

Evan Carpenter, CFA® – Portfolio Manager & Investment Analyst
Evan joined Coho Partners in 2023 to focus on research and portfolio management. He is a member of the Investment Committee and has 27 years of experience in the financial industry.

Prior to joining Coho, Evan was a senior equity analyst at Mutual of America Capital Management for 11 years where he was responsible for conducting fundamental research with an emphasis on quality companies at discounted valuations. In addition, he actively collaborated with the portfolio manager for portfolio construction decisions. He also served as a senior research analyst at Lord Abbett for nine years where his focus was on value investing. Evan began his investment career as an equity research analyst at Gabelli & Co.

Evan graduated from Lafayette College with dual Bachelor of Art degrees in economics and business, and mathematics, and he received his MBA from Columbia University Business School. Evan is a Chartered Financial Analyst® charterholder.

Shirley Chen – ESG Investment Analyst
Shirley joined Coho Partners in 2021 to focus on ESG (environmental, social, and governance) research coverage within Coho's investable universe. She has four years of experience in the financial industry.

Shirley works with the Investment Team to evaluate material ESG drivers and risks. Prior to joining Coho, she was a financial analyst with FMC Corporation.

Shirley received a Bachelor of Science degree in business administration with a concentration in finance and a Bachelor of Arts degree in mathematics from Drexel University. As a Level II CFA® exam candidate, she is a CFA® Program participant.

Andrew Hanna, CFA® – Investment Analyst
Andrew joined Coho Partners in 2020 to focus on research coverage within Coho's investable universe. He has nine years of experience in the financial industry.

Prior to joining Coho, Andrew was a senior associate at Cooke & Bieler where he conducted research on publicly traded U.S. equities across a diverse range of industries. He began his career as a corporate banking analyst for SunTrust Robinson Humphrey in 2013.

Andrew received a Bachelor of Arts degree in economics from Rollins College, a Master of Science in commerce from University of Virginia, and a Master of Business Administration from New York University. He is a Chartered Financial Analyst® charterholder.

Ward Kruse, CFA® – Partner, Portfolio Manager/Investment Analyst
Ward joined Coho Partners in 2019 to focus on research and portfolio management. In addition, he is a member of the Investment Committee. He has 27 years of experience in the financial industry and is a partner of the firm.

Prior to joining Coho, Ward spent 20 years working on the Fundamental Equity Team at Goldman Sachs Asset Management. Most recently, he served as a Vice President on the U.S. Value Equity Team in New York. As a research analyst and sector portfolio manager, he conducted primary fundamental research on companies across different sectors and portfolios. He also helped launch ESG strategies and integrate sustainability research into the firm's investment process. Prior to this role, he worked as an Associate on the European Equity Team in Goldman Sachs Asset Management's London office. He began his career as a financial analyst in the Investment Banking Division of the Goldman Sachs Group, Inc.

Ward graduated summa cum laude from Georgetown University with a Bachelor of Science degree in finance and accounting. He is a Chartered Financial Analyst® charterholder.

Chris Leonard, CFA® – Partner, Co-Chief Investment Officer
Chris joined Coho Partners in 2012 as a portfolio manager and investment analyst. He was named co-chief investment officer in January 2022, working alongside Peter Thompson who shares responsibility for maintaining the firm's investment philosophy and process. In addition to these duties, Chris is a member of the Investment Committee and a partner of the firm. He has 28 years of experience in the financial industry.

Prior to joining Coho, Chris was Vice President at Santa Barbara Asset Management, an affiliate of Nuveen Investments. While at Santa Barbara, Chris was responsible for coverage of the healthcare and consumer staples sectors and served as lead portfolio manager of the firm's mid-cap growth portfolio. Chris previously worked at T. Rowe Price and Chesapeake Partners as an analyst evaluating securities in multiple sectors. He began his investment career at Paine Webber as a research associate covering the biotechnology sector.

Chris graduated with distinction from the University of Virginia receiving a Bachelor of Science degree in Commerce with a concentration in Finance. He is a Chartered Financial Analyst® charterholder.

Tony Michalak - Portfolio Manager/Investment Analyst
Tony joined Coho Partners in 2023 to focus on research and portfolio management. In addition, he is a member of the Investment Committee. He has 15 years of experience in the financial industry.

Prior to joining Coho, Tony spent 10 years at Roundwood Asset Management (formerly Alleghany Capital Partners) as Vice President of Public Equity Investment where he was responsible for making key portfolio construction decisions and conducting fundamental industry and company research on publicly traded equity investment ideas for the firm's value-oriented public equity portfolio. Prior to this role, Tony was an Associate and Research Analyst for Public and Private Equity Investment for Alleghany Capital Partners for four years. Roundwood Asset Management was the Public Equity investment group of Alleghany Corporation.

Tony graduated from Lehigh University with a Bachelor of Science degree in finance.

Ruairi O'Neill, CFA® – Partner, Portfolio Manager/Investment Analyst
Ruairi joined Coho Partners, Ltd. in 2014 to focus on research and portfolio management. In addition to his portfolio management and research responsibilities, Ruairi is a member of the Investment Committee and Executive Committee and is a partner of the firm. He has 30 years of experience in the financial industry.

Prior to joining Coho, Ruairi was the lead Portfolio Manager on the PNC Large Cap Dividend Focus strategy as well as a Senior Portfolio Manager on the PNC Core, Value and Growth strategies. While at PNC, Ruairi rose to the position of Senior Vice President where he initiated the Dividend Focus strategy and managed a team of analysts to ensure adherence to the investment process. In his previous role as Senior Equity Research Analyst, he was responsible for coverage of the healthcare, consumer staples, information technology and industrial sectors. Ruairi previously worked at PFPC Worldwide as an Investment Accounting Manager.

Ruairi graduated from the National University of Ireland with a Bachelor of Commerce Degree in Accounting/Finance and received an MBA in Marketing from Saint Joseph's University. He is a Chartered Financial Analyst® charterholder.

Peter Thompson – Partner, Co-Chief Investment Officer
Peter founded Coho Partners in 1999. He served as the chief investment officer of the firm since its inception until transitioning into a co-chief investment officer role in January 2022. He shares responsibility for maintaining the firm's investment philosophy and process. In addition to his portfolio management and company research responsibilities, he is a partner of the firm, a member of the Investment Committee, and a member of the Executive Committee and Board of Directors. Peter has 41 years of experience in the financial industry.

Prior to forming Coho Partners, Peter spent 10 years with the investment-counseling firm of Cooke & Bieler, where here he had a wide range of research and portfolio responsibilities. In addition to managing stand-alone portfolios, he played an integral role in the development of three of the firm's mutual funds for which he was also the portfolio manager. Peter began his investment career with

Kidder, Peabody & Company. During his time there, Peter was involved in research and ultimately promoted to a position of oversight on the firm's Stock Selection and Investment Policy Committees.

Peter graduated from Princeton University with a Bachelor of Arts Degree in Economics. He received his MBA from the University of Virginia's Colgate Darden School of Business Administration.

7. **Please detail the ownership structure of the firm.**

Coho is employee owned. Please see below for a current breakdown of each of the owners and their ownership percentage:

- Peter Thompson, Co-Chief Investment Officer - between 25% and 50%
- Glenn Dever, President - between 10% and 25%
- Coho Partners, Ltd. Employee Stock Ownership Trust - between 10% and 25%
- Glenn Dever Irrevocable Trusts – between 5% and 10%
- Peter Thompson Irrevocable Trusts - between 5% and 10%
- Terry Davis, Office Coordination - <5%
- Jena Weaver Dietrich, Marketing - <5%
- Roseann Dittmar, Client Relations - <5%
- John Finnegan, Client Relations - <5%
- Lisa Gentry, Chief Compliance Officer - <5%
- Brian Gibson, Business Operations - <5%
- Jennifer Griffith, Human Resources - <5%
- Jim Klinger, Trading - <5%
- Brian Kramp, Board of Directors - <5%
- Ward Kruse, Portfolio Manager & Investment Analyst - <5%
- Chris Leonard, Co-Chief Investment Officer - <5%
- Wayne LeSage, Jr., Head of Distribution - <5%
- Cindy Lewis, Chief Financial Officer - <5%
- Lisa Marlin, Client Relations - <5%
- Lisa Moneymaker, *Emeritus* Client Relations (retired) - <5%
- John Musser, Client & Consultant Relations - <5%
- Ruairi O'Neill, Portfolio Manager & Investment Analyst - <5%
- Joanne Powell, Investment Operations - <5%
- Tom Trala, Board of Directors - <5%
- Rick Wayne, *Emeritus* Private Wealth Portfolio Manager (retired) - <5%

In addition to the direct owners noted above, there are a few employees who have been granted equity that will vest over a period of time.

8. **Describe any succession plan in place to mitigate key person risk.**
   Coho maintains a team approach to executive leadership and portfolio management. In the event the Chairman of the Board is unable to fulfill his responsibility for the overall direction and strategy of the firm the remaining members of the Board would absorb his duties. All members of the Board are seasoned professionals within the industry and have been with the firm for many years.

   In the event an Investment Team member is no longer able to fulfill his or her duties, the remaining Team members would manage the portfolio. Each investment professional has extensive experience and shared responsibility for the strategy since joining the firm. In addition, we will continue to hire team members at a measured pace so that succession is not a problem for the firm.

9. **What is the compensation structure for the professionals at your firm?**
   Currently, all full-time employees receive a salary, bonus opportunity, ESOP profit sharing contribution, and 401(k) safe harbor contribution. In addition, 18 of our 36 employees are owners of the company, four of whom are members of the Investment Team. Dividends are paid to Coho shareholders when appropriate. In addition to the 18 employee, direct owners, there are a few employees who have been granted equity that will vest over a period of time.

   Investment Team members earn their bonuses based on a combination of factors that impact firm performance and overall portfolio performance. We have a small firm, and we work closely together so we have not had the need to create complicated formulas for bonus calculations. We spend time with employees to set appropriate expectations for job performance and we pay fair bonuses based on individual and firm achievement. In addition, we recently formed a Compensation Committee that is responsible for the review and determination of executive compensation and reviews the overall philosophy and compensation structure for the entire firm.

10. **Is your firm a UN PRI signatory? If so, when did you sign? What is the current overall rating?**
    Yes. Coho became a UN PRI signatory in June 2017. We received a four out of five stars in each of the modules (Policy Governance and Strategy, Direct – Listed Equity – Active Fundamental, and Confidence Building Measures) of the 2023 UN PRI assessments. A copy of the 2023 PRI Assessment Report is available upon request.

Investment Approach

11. **Please describe the foundation of thinking behind your ESG portfolio. What is your investment philosophy?**
    The integration of ESG (Environmental, Social, and Governance) considerations into our investment process is a natural extension of our investment approach.

    Our investment philosophy is based on the premise that the most effective way to create and sustain wealth in the equity market is to achieve an asymmetric pattern of return over time, where the portfolio demonstrates down-market capture considerably less than its up-market capture.

Our assertion is simple: we believe companies that have delivered strong and consistent shareholder returns over multiple market cycles have done so because they have built enduring and sustainable business models. They embody an organizational culture that is a true competitive advantage and not easily replicated. Companies have the potential to deliver consistently over time as they balance the interests of all stakeholders: shareholders, communities, employees, and the environment.

We are staunch advocates of integrating material and financially relevant ESG metrics in business practices as a long-term strategy for impacting meaningful change. Only when company managements and investors view sustainability as a material driver of long-term business performance and risk will there be a real and lasting commitment.

12. What is the investment objective of this portfolio?

Our primary objective is to focus on risk control and protecting principal in the down markets. A close second is strong participation in all but the most speculative of bull markets. We believe this combination of protection and participation should ultimately lead to better-than-market performance over an economic cycle with less-than-market risk.

Investment Management Process

13. Describe in detail the portfolio management process, including research and trading.

Coho employs a three-step investment process:

1. **An advantaged universe: Coho 250**
   Our focus is narrowed to a highly selective, advantaged universe of companies that have generally shown long-term predictable growth in most economic environments. We execute thorough research on the Coho 250 and construct dividend discount models (DDMs) for each company using realistic yet conservative assumptions.

2. **In-depth fundamental research determines attractiveness**
   To narrow our focus on potential new opportunities, we employ an exclusionary overlay that removes tobacco, firearms, alcohol, military weapons, gambling, and mining, and we implement an integrated ESG qualitative and quantitative framework. Valuation analysis and our proprietary ESG scoring system help guide our fundamental research.

3. **Portfolio construction**
   Buy and sell decisions are driven by the portfolio’s risk/return profile resulting in a concentrated 25-35 stock portfolio.

Step 1: An advantaged universe: Coho 250
Coho considers the opportunity set/investable universe to be approximately 250 companies from a starting universe of about 1,200 companies. Much work is performed to discover what we feel are the approximately 250 companies (the "Coho 250") that have the desired asymmetric performance characteristics and those are the only companies upon which we focus.

The companies in the Coho 250 are explicitly chosen because of their long history of stable business models, solid growth, excellent management teams, and shareholder-friendly practices. To narrow our focus on potential new opportunities with a sustainability lens, we employ an exclusionary overlay that removes tobacco, firearms, alcohol, military weapons, gambling, and mining. Additionally, we use the Norges Bank exclusion list to exclude companies with the following exposures: coal, tobacco, nuclear weapons, cluster munitions, human rights violations, environmental violations, unacceptable GHG emissions, and corruption. Companies with known serious violations of U.N. Global Compact are also excluded, after considering a positive perspective or mitigating factors, where relevant. We then implement an integrated ESG qualitative and quantitative framework.

We execute thorough research on the Coho 250 and construct dividend discount models (DDMs) for each company using realistic yet conservative assumptions. Coho's proprietary multifactor model identifies companies which have the following characteristics:

Stability - Low variability in earnings, revenues, and cash flow growth

Growth - Absolute and relative growth in revenues, earnings, and dividends

Profitability - Low capital intensiveness and excess free cash flow generation

Quality - Balance sheet strength, management integrity, depth, and execution

Shareholder focus - Transparency of financials and operational strategy, capital allocation acumen – dividends, buybacks, and bolt-on acquisitions

Step 2:   In-depth fundamental research determines attractiveness
We combine bottom-up due diligence, 5-year dividend discount models, and our proprietary ESG scoring system to identify candidates for inclusion in the portfolio.

Valuation analysis. It is at this point, where Coho becomes a relative value investor. We apply a 5-year DDM utilizing long-term, historically consistent, normalized assumptions for revenues, margins, capital allocation and relative valuations. Our focus is on long-term operational and financial metrics which would drive the numeric assumptions in the DDM. Short-term variations that are not deemed to present a material impact to long-term assumptions are not over-analyzed. The risk-free rate, which is also normalized, is based on the 5-10-year Treasury notes.

Relative valuation (ultimate relative trailing P/E vs. S&P 500) is based on historical data adjusted for changes in business model, balance sheet, volatility of results, etc. Models are updated at least on a quarterly basis, or more often as necessary, with new earnings data and assumptions. Therefore, the model is constantly evolving over time with changing fundamentals. DDMs are customized by sector and by individual company if necessary. Outputs of the model are:

- Expected 5-year IRR based on current price;
- The array of IRRs at various price points;
- Implied annual growth in revenues, operating income, net income, EPS; and
- Proportion of expected IRR due to changes in earnings, dividends, and valuation.

Proprietary ESG scoring system. We believe the use of our proprietary ESG model achieves two main objectives:

1. Provide a holistic assessment of the ESG profile of a company by aggregating and evaluating key data from multiple third-party data providers; and

2. Identify changes in trends related to improved disclosure and improved ESG practices.

The quantitative score for each company is deconstructed into its E, S, and G constituents, each with several underlying components based on changes in multi-year trends and absolute scores relative to the relevant S&P 500 Index sector. Once a score is calculated, the Investment Team then uses primary research, including direct engagement with the company, to ensure the accuracy and validity of the proprietary scores. We find that this approach enables us to get a better understanding of the material ESG drivers across our research universe and helps guide our fundamental research. Our quantitative process is updated quarterly to reflect the new information available on a rolling basis.

Fundamental analysis. With low turnover and a long-term focus, we strive to identify what we feel are companies that have a strong ESG profile *in addition to* the operational and financial characteristics that we believe can lead to asymmetric returns.

Our Investment Team identifies industry-specific, material ESG value drivers for each company based on internally derived criteria and the Sustainability Accounting Standards Board ("SASB") framework. These material drivers may differ by sector and industry, and we use our investment knowledge and experience along with consideration of the SASB framework to identify material risks and opportunities for each sector. Our methodology determines what we believe to be the impact each of the drivers has on financial metrics such as revenue, margins, and returns. These drivers serve as a tool to quantify a company's ESG performance.

There are common fundamental drivers across all securities within the universe:

- **Governance**
  Multi-stakeholder focus, business ethics, structure of the board, executive compensation, and alignment vs. shareholders to drive long-term business success;

- **Human capital**
  Employee policies and track record on turnover and employee issues;

- **ESG stewardship**
  Organizational goals on reducing carbon footprint, responsible waste management, adoption of green and renewable energy sources and materials, and responsible management of long-term business risks; and

- **Industry or Business Model Specific Factors**
  Non-financial considerations that can/or have a material impact on a company's financial, operational, or strategic outlook.

We actively engage with companies to better understand their commitment to ESG issues and to advocate for positive change. Direct discussions and meetings with company management, earnings conference calls, and conference presentations are scrutinized to give us confidence in management and their philosophy, vision, and competence. In addition, reports from third-party providers, including the SASB framework, are reviewed and used to engage with company management for a holistic evaluation.

Each individual company's dividend discount model is then updated utilizing all the applicable information. Finally, before inclusion into the portfolio, an internal position paper, or quality-of-execution 'report card' is produced outlining various ESG, financial, and operating metrics which will be monitored prospectively to validate the assumptions in the valuation model and the investment thesis. This discipline is the primary tool used to assess a company's adherence to our expected financial, operational, and ESG goals. Position papers for each security are updated on a quarterly basis at a minimum.

Step 3: Portfolio construction
Our valuation and execution disciplines along with our proprietary model, materiality framework, direct company engagement, and active ownership approach inform our decisions on when to include an individual company from the universe in the portfolio.

We seek to invest in securities that:

- Exhibit operational and financial characteristics that we believe can lead to asymmetric returns;

- Do not participate in "sin" or controversial industries such as alcohol, tobacco, firearms, gambling, military weapons, and mining;

- Demonstrate a commitment to ESG principles based on a combination of data from our proprietary quantitative and qualitative process as well as input from third-party providers; and

- Display high or improving trends on ESG metrics vs. peers and the S&P 500 Index.

The primary focus of the portfolio construction process is on risk control and protecting principal in down markets, while capturing most of the upside performance. We construct a diversified portfolio consisting of 25-35 companies ranging from position sizes of 2% to 6% of the portfolio. The portfolio is comprised of two types of companies: 1) Demand Defensive, and 2) Economically Sensitive.

Demand Defensive companies include Consumer Staples, Health Care, and Utilities sectors and generally comprise 40% - 70% of the portfolio. They exhibit the following characteristics:

- Largely impervious to the level of economic activity;
- Most predictable growth in earnings, dividends, and cash flow; and
- Significantly outperform in down markets and compete in all but the strongest up markets.

Economically Sensitive companies include Communication Services, Consumer Discretionary, Energy, Financial Services, Industrials, Information Technology, Materials, and Real Estate sectors, and generally comprise 30% - 60% of the portfolio. They exhibit the following characteristics:

- Stable business models with modest cyclicality; and
- Provide competitive upside performance in periods of strong economic expansion.

We focus on the higher quality, less cyclical companies within the economically sensitive industries. We also take a modestly contrarian approach, which tends to inject additional downside protection.

Sell Discipline
A stock is eliminated from the portfolio when:

- It exhibits deteriorating commitment toward sustainability;
- It reaches its performance target and the expected excess return falls to 200 basis points versus the risk-free alternative;
- Position paper metrics are violated; and/or
- A new idea displaces the current holding.

Trading Overview

We use the Ridgeline system as our trading platform and DTCC's CTM software to streamline our pre- and post-trade processes.

To initiate a position, a block trade ticket is created, and all accounts are checked for current position size if applicable, available cash position, and potential trading restrictions. Trading is conducted in accordance with our trade rotation policy and may be executed via a variety of trading strategies (e.g. limit, % of volume, VWAP, etc.). Once the trade is complete, allocations are sent via FIX or CTM depending on the broker. After allocations and trade details are matched, trade confirms and settlement instructions are generated utilizing DTCC ALERT to ensure timely settlement. Trades are affirmed on trade day or no later than T+1 and our portfolio management system is populated.

We utilize a trade rotation for all firm-wide trades. Each client is generally part of a group of clients whose accounts are traded together. Should a specific group not be able to fully complete their trade, the trade would be allocated pro-rata to each member of the group.

Chris Leonard, a member of the Investment Team, will generally monitor the trade rotation and the process of each trade. Chris will report any deviance from the trade rotation policy to our CCO, Lisa Gentry.

14. Between environmental, social and governance influences, which do you emphasize in your strategy more and why?

We aim to identify and monitor the most material ESG drivers across our investable universe. These material drivers differ by sector and industry, and we use our investment knowledge and experience along with consideration of the Sustainability Accounting Standards Board ("SASB") framework to identify material risks and opportunities for each sector.

While we believe each component of ESG can have a material impact on the sustainability of an individual company's business operations, our investment philosophy strongly emphasizes good governance practices as critical to generating long-term shareholder return. Ultimately, company management has the responsibility for prioritizing and committing to environmental and social goals and policies. As such, we find that evaluation of governance practices carries heightened importance in our fundamental and ESG research.

Governance factors are common across all sectors and industries, providing a strong basis for comparison on factors we deem critical to a company's long-term success. In contrast, the materiality of environmental and social factors will vary by sector and industry, and they have wider variability in data availability and standardization which must be taken into consideration in our research. We do not deemphasize the importance of environmental and social considerations, but we strongly believe good environmental and social practices emanate directly from good governance practices.

Over the long term, we believe that companies that focus on the long-term sustainability of their business models by focusing on all constituents (community, employees, environment, shareholders) have the potential to generate superior investment returns at lower risk.

15. Do you engage in ESG or related activism directly with companies or through proxy voting?

Yes. A key pillar of our ESG investment strategy is to drive positive and meaningful change in corporate behavior. Our approach to stewardship combines direct company engagement, proxy voting, and collaboration.

Direct Company Engagement. Through regular meetings and discussions with companies, we actively seek increased transparency by encouraging more frequent and robust disclosure and the establishment of tangible ESG goals such as:

Increased Disclosure of Environmental and Social Risks

- We seek enhanced disclosure on environmental and social metrics. We urge companies to disclose climate-related risks using the Task Force for Climate Disclosures (TCFD) framework. Where appropriate, we will ask companies to set science-based targets to reduce their carbon, water, and waste footprint.

- We also request disclosure and progress on strategically or financially material ESG factors for each company.

Enhanced Corporate Governance

- We advocate for a stronger and more direct connection between executive incentive compensation and long-term shareholder returns. We explicitly recommend that managements adopt total shareholder return, return on invested capital, and sustainability metrics in incentive compensation programs. We also vote against companies with over-boarded directors and executives. Our guidelines include a three public company board limit for non-CEO directors and allow CEOs to serve on only one outside board.

- We also recommend boards of directors adopt proxy access and the right to act by written consent in the absence of a right to call a special meeting. Coho seeks separation of the Chairman and CEO roles.

Our work starts with an in-depth qualitative assessment of the company's sustainability profile. We employ a materiality framework to identify the relevant metrics for each business model, areas of strength, and opportunities for future improvements. We share our learnings with the companies and encourage them to improve disclosure, establish discrete and time-bound targets, and report on progress toward these goals.

Below are two recent examples of company engagement.

ConAgra Brands, Inc. (CAG)

Continuous improvements on environmental and social disclosure

We were pleased to see that ConAgra (CAG) was ranked #1 by the Access to Nutrition Initiative (ATNI) in percent of sales from healthier products and remained #1 in the product profile, a ranking based on the health star rating of the portfolio. While product sustainability is a priority for CAG, we continue to engage on food safety and product recalls. In terms of environmental disclosure, it was encouraging to see more companies, including ConAgra, begin to report against the TCFD framework, which standardizes climate reporting. We encouraged the company to set a net-zero goal to further its environmental commitment beyond TCFD and SBTi alignment. Additionally, the company started to disclose its EEO-1 report, which is an important topic we engaged on previously.

Nike, Inc. (NKE)

Integrating ESG into business strategy

ESG strategy is fully integrated into Nike's corporate plan and commitment starts at the top of the organization with senior leadership setting objectives and leading sustainability efforts. The company includes the sustainability metric "People & Planet" as a modifier to the long-term compensation plan, which includes consideration on engagement, inclusion, leadership diversity, and sustainability. The company has performed well in certain diversity, equity, and inclusion (DEI) metrics and has achieved adjusted gender pay parity globally. Furthermore, we engaged with Nike regarding the controversy on allegations of forced labor. The company stated it will continue working to ensure that no cotton is sourced from the Xinjiang Uyghur autonomous region in China. The company is deploying isotope testing technology to help identify the material source and ensure that no cotton is sourced from this region. It also has a human rights policy in place to mitigate adverse human rights impact.

Proxy reviews performed for each of our portfolio companies include governance and sustainability research using a materiality lens and are supplemented by engagement with management. Engagement meetings help us influence and advocate for commitment to environmental and social responsibility, discuss corporate governance practices, and collect insights for proxy voting and sustainability research. Below are a few examples of our recent activity.

Shareholder Proposal: United Parcel Service, Inc. (UPS) – Grant equal shareholder rights

As part owners of a company, shareholders have voting rights that provide the ability to influence management and determine policies through director elections and approval of corporate matters. Coho believes equal voting rights for all shareholders strengthen corporate governance by providing additional management oversight. We voted for a shareholder proposal that requests the company reduce the voting power of Class A stock from 10 votes per share to one vote per share.

Management Proposal: Walt Disney Co. (DIS) – Eliminate negative pay practices

We voted against The Walt Disney Company's advisory vote to approve executive compensation this year. In addition to identifying a disconnect between pay and performance, we identified three negative pay practices per our customized proxy voting guidelines concerning non-performance-based bonuses, severance payments, and short performance periods for long-term incentives.

Collaboration. Collaboration and partnerships with other investor groups and non-profit organizations are also integral to our stewardship efforts. We believe that collectively, investors can accelerate the adoption of industrywide standards and create a more effective dialogue with company managements. In November 2022, we joined a sign-on letter with the PRI to urge the SEC to finalize the proposed rule, "The Enhancement and Standardization of Climate-Related Disclosure for Investors". The proposed rule presents a necessary baseline of information needed to fully account for climate related risks across investment portfolios.

16. Does the organization publicly support TCFD (Taskforce on Climate-Related Financial Disclosure)?

Yes. As stewards of our clients' financial assets, we are committed to seeking enhanced disclosure and transparency in how businesses evaluate and address these risks and opportunities. As a result, we recently committed to supporting the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

The framework encourages companies to assess and disclose the financial impact from the most relevant climate-related risks and opportunities for their business as a part of their annual reporting to shareholders. The comprehensive guidelines address both the long-term risks related to physical changes as well as those resulting from the transition economy and further breaks into sub-categories for improved relevance and standardization.

We believe the current pace of climate change has the potential to be a serious threat to economic, political, and social stability across the globe. As a result, we expect the senior management and boards of directors of the companies in our investable universe to identify, evaluate, and manage this risk in the context of their business strategies. For other companies, demand for innovative products and solutions to mitigate the impact of climate change is an opportunity and we take that into consideration, as well.

Our proprietary quantitative process takes into account the environmental policies in place at companies in our investable universe as well as their progress on key metrics. In addition, we supplement this with a qualitative assessment of the company's environmental strategy including our assessment of discrete goals to reduce energy consumption and greenhouse gas emissions.

17. **How much cash do you typically hold as a percentage of assets?**
    The cash position is typically in the 0-5% range. The cash position is a residual of the security selection process.

18. **What index is the best performance benchmark for this portfolio? What is the performance goal for the strategy?**
    We believe appropriate benchmarks for the Coho Relative Value ESG strategy include the S&P 500 Index and the Russell 1000® Value Index.

    We typically rely on our clients to select the benchmark they would like to use for portfolio comparisons. We recognize the strategy does not fall neatly into a traditional style box; therefore, our clients generally choose between the S&P 500 Index for its exposure to a wide breadth of large-cap companies or the Russell 1000® Value Index for its additional "value" style tilt.

    We are long-term investors. Success in implementing this strategy is measured by our ability to produce the desired asymmetric pattern of returns and above benchmark total returns over a full market cycle.

Risk Management

19. **How is portfolio risk managed and monitored?**
    Coho's Investment Team and its participants are individually and collectively responsible for monitoring and measuring risk. Our primary concern as an investment advisor is protecting principal; therefore, we are highly focused on risk control throughout our investment process:

    - Each stock in the Coho 250 universe is explicitly chosen for its ability to provide downside protection and upside participation;
    - Our ESG framework includes an assessment of material and systemic ESG risks and trends along with controversy assessments;
    - Our valuation discipline ensures that within this investable universe, the portfolio is focused only on those particular stocks with reasonable expectations and valuations;
    - Before inclusion into the portfolio, an internal position paper, or quality-of-execution 'report card' is produced on each security which outlines key ESG, financial, and operating metrics. Position papers are monitored prospectively to validate progress on key ESG dimensions, the assumptions in the valuation model, and the investment thesis; and

- Our portfolio construction discipline has a defensive tilt focused on the most economically insensitive and risk averse sectors and business models which results in a diversified, high quality, low beta portfolio with a lower carbon footprint.

Coho utilizes FactSet data to conduct risk assessments using spreadsheets, screens, and models.

Why Coho?

20. What do you feel is distinctive about your philosophy and investment approach?

There are several features of our investment approach/philosophy that we believe are distinctive to Coho and add value to the Coho Relative Value ESG investment process:

- We seek a unique and highly defined group of companies that exhibit an asymmetric return pattern over a full market cycle. In other words, their beta tends to be higher in rising markets and lower in falling markets;

- This advantaged universe is proprietary and limited in scope (approximately 250 companies). This universe is stable (+/- 25 companies/year), which enables us to get to know these companies intimately. The remaining stocks outside of the Coho 250 are simply not considered for investment, no matter what their valuation, earnings growth, or other investing criteria may be;

- With low turnover and a long-term focus, we strive to identify what we feel are companies that have a strong ESG profile in addition to the operational and financial characteristics that we believe can lead to asymmetric returns. They go hand in hand, and one does not come at the expense of the other;

- Coho's entire Investment Team is engaged in the ESG process. There is a high level of subjectivity in the ESG investing arena – along with a lack of standardization in ESG evaluation criterion across industries and companies. Our in-depth knowledge of industries and companies enables us to determine the critical ESG drivers for a business, execute a holistic assessment of progress over time, and advocate for ESG integration which we believe is a competitive and strategic advantage;

- An internal position paper or 'report card' must be completed for each stock in the portfolio to objectively identify and monitor key, long-term ESG, operating metrics and financial metrics that we expect the company to maintain or achieve at specific points in time. The position paper may cause us to sell a stock when the rationale for owning it begins to change. This discipline has steered us away from harmful value traps over the years;

- Our portfolio is a combination of demand defensive and economically sensitive companies which provides a combination of defense (generally predictable growth in earnings, dividends, and cash flow) and offense (stable business models with modest cyclicality) to the overall strategy; and

- Our ability to 'walk the ESG talk' is important to us, and we embrace transparent accountability. All employees are committed to community outreach through our Coho Cares program, doing our part for the environment, and helping to drive awareness around social issues including diversity, equity, and inclusion.

IMPORTANT DISCLOSURES

The views, opinions and content presented are for informational purposes only. They are not intended to reflect a current or past recommendation; investment, legal, tax, or accounting advice of any kind; or a solicitation of an offer to buy or sell any securities or investment services. Nothing presented should be considered to be an offer to provide any Coho product or service in any jurisdiction that would be unlawful under the securities laws of that jurisdiction. Past performance is not indicative of future results.

Use of the Russell 1000® Value Index

Use of the CFA® marks

Use of the MSCI Inc. and S&P Global Market Intelligence Global Industry Classification Standard ("GICS") sectors