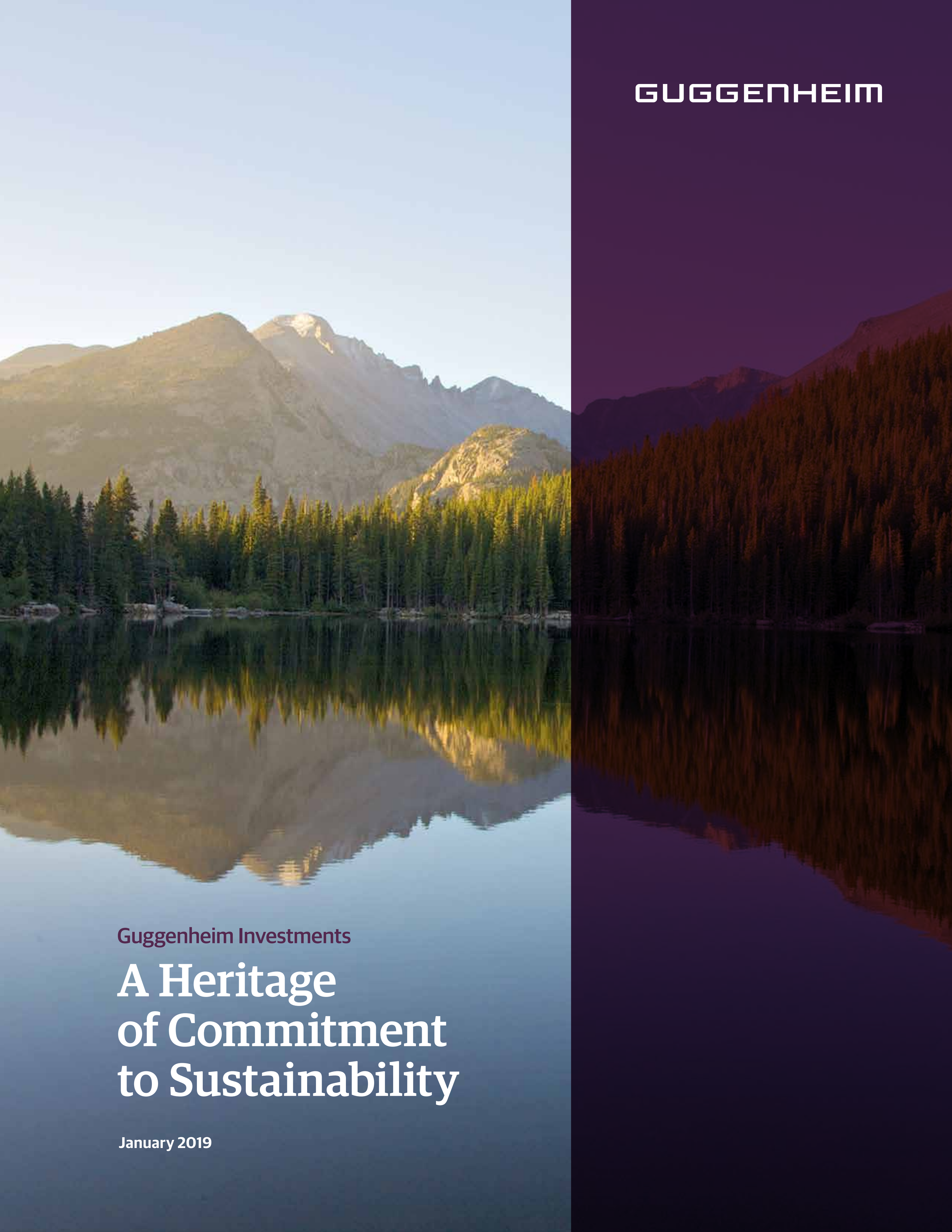

GUGGENHEIM

Guggenheim Investments

A Heritage of Commitment to Sustainability

January 2019

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It is not possible for one person or one firm to fix the problems in our society, but together we have a shared obligation to do what we can to make the world a better place.

Scott Minerd and Jerry W. Miller

Our Commitment to Sustainability

Scott Minerd

Jerry W. Miller

At Guggenheim Investments, our ability to deliver innovative solutions that address our clients' complex challenges is built upon many factors, including our commitment to sustainability. At a high level, sustainability means managing our investment process and our firm with a long-term focus that seeks to deliver compelling investment results while considering our environment and positive social outcomes.

In more practical terms, our commitment to sustainability is expressed in our client-focused processes, in our globally conscious cooperation and activism, and in our own corporate management approach. Contained within this commitment is the integration of environmental, social, and governance considerations (ESG) into our investment process and business operations.

We describe these activities, policies, and processes in this report. But beyond describing how we deliver on this commitment, it is our hope that we also explain why this is such an important part of our organization's belief system.

Not only has ethical business behavior been a hallmark of the Guggenheim family for generations, but a concern for sustainability has also been a part of our lives for a long time. Growing up in a time when corporations and governments were not held accountable for environmental stewardship or equitable social outcomes, we have witnessed how irresponsible development and short-term profit incentives decimated local populations and ravaged the countryside in ways that are still being felt. More recently, the disastrous inequities that arose from the financial crisis, which in many ways was caused by the heedless pursuit of short-term profit, also continue to reverberate through global markets.

These events and others have had a significant impact on the way we view Guggenheim's conduct as a corporate citizen. Our commitment to sustainability in all its forms is designed to avoid these kinds of outcomes and contribute to a better world. We have found that adherence to the goals of sustainability and ESG helps to eliminate risk and to create lasting value for our clients and ourselves. Included in this report are several case studies that illustrate how this works.

We want to thank the team at Guggenheim that is responsible for leading our commitment to sustainability and the integration of ESG principles into our business practices. We know that it is not possible for one person or one firm to fix the problems in our society, but together we have a shared obligation to do what we can to make the world a better place.

Scott Minerd
Chairman of Guggenheim Investments and Global Chief Investment Officer

Jerry W. Miller
President of Guggenheim Investments

Introduction to Guggenheim

Guggenheim Investments is a global investment management firm providing institutions, insurance companies, and individual investors with specialized products, services, and solutions. As a global asset manager, we seek to deliver exceptional, long-term value to our clients and the constituents they serve. We strive to accomplish this goal through our investment process, while managing our business with strong governance, sustainable and scalable business practices, and promoting a workplace built on acceptance, trust, respect, and community engagement.

Sustainability and ESG initiatives have long been considerations for Guggenheim Investments. Our firm's commitment to a vision for the Arctic put us at the forefront of sustainable development, setting the stage for our leadership role in developing the landmark Arctic Investment Protocol. Our partnerships with the World Wildlife Fund, the World Economic Forum, and the United Nations Foundation have been a cornerstone in advancing such directives as the UN's Sustainable Development Goals.

Our consideration of ESG factors to enhance our ability to manage risk and advance sustainability is important, both within our distinctive investment process and in the way we operate our business.

For over a century, the Guggenheim name has been synonymous with a spirit of innovation, industry expertise, and success. Our history stems from the Guggenheim family business dating back to the late 1800s. In its modern form, our firm began with the mission of creating exceptional value for our clients by applying the principles that made the Guggenheim family one of the most successful innovators, investors, and business managers in American history. Those principles entailed engaging highly talented people, challenging them to think creatively, and encouraging them to achieve extraordinarily high standards in their fields of expertise. Today, we continue to uphold the principles of the Guggenheim family by promoting a firm culture that values initiative, encourages ideas, and rewards success. We integrate sustainability and ESG by:

- Considering ESG factors in our macroeconomic research, sector research, issuer research, and portfolio management.
- Providing strong leadership throughout the firm to ensure ESG factors are understood by all investment professionals and integrated into their work.

- Working closely with our clients to ensure we understand their risk tolerance levels and the best approach to incorporating ESG criteria.
- Being transparent about our approach to responsible investing and the application of ESG principles into our investment thesis.
- Collaborating with global organizations and thought leaders to promote sustained social and economic development, while safeguarding the environment for future generations.

There are three specific areas in which we demonstrate our commitment to sustainability: Sustainable development, integrating ESG into our investment process, and striving for responsible citizenship and engagement.

The Guggenheim Path to Sustainable Investing

As a fixed-income manager, we are motivated to deliver compelling investment solutions for our clients, many of which seek long-lived assets to match their capital needs. Infrastructure and project finance investments can fulfill these requirements, but we believe it is incumbent on providers of capital to enter into these investments while aligned with principles of sustainability.

Sustainable development is about delivering strong and stable investment returns in efficient, effective, consistent ways for the future of the world. At its core, this means investing in safe, reliable infrastructure and financing innovation in the sectors that will power our world, feed our people, and foster growth in ways that preserve and protect our environment. Looking back at hard lessons from history, we see how critical sustainable development is to healthy economic growth and social progress, the true north by which we believe every investment compass should navigate.

Guggenheim's experience in advocating for sustainable development takes many forms, but it is driven by the size of the challenge and the imperative for responsible stewardship. The United Nations Global Goals for Sustainable Development (SDGs), which aim to end extreme poverty, protect the planet, and ensure prosperity for all, call for an estimated $4.5 trillion per year in capital investment in developing countries between now and 2030. In the Arctic region alone, which has so much potential for economic development, Guggenheim estimates a $1 trillion infrastructure investment need over the next 15 years.

As a model for the path that investors should follow when undertaking these projects, Guggenheim and other stakeholders joined with the World Economic Forum's Global Agenda on the Arctic in a multi-year project to develop the Arctic Investment Protocol. When it was announced in 2016, Guggenheim was the first financial services firm to formally endorse the Arctic Investment Protocol, a milestone towards sustainable and responsible business practices, governance, and environmental stewardship.

As asset managers actively involved in project finance and infrastructure investing, we understand that successfully meeting the need for sustainable investment will require funding from both public and private entities. Today there are pockets of capital devoted to sustainable development investing, but not in quantities sufficient to make a real difference. To attract the necessary scale of capital, sustainable development investing must become an institutional asset class.

Institutional investors with long investment horizons are becoming more interested in sustainable development opportunities. However, projects must be engineered at their inception to contain four key attributes—positive environmental, social, economic, and regulatory impact—before capital is committed. These four attributes constitute the framework we call the Sustainability Quotient, which determines the suitability of any proposed development project as an institutional investment.

The Guggenheim Sustainability Quotient

Case Studies

The Arctic Investment Protocol

The Arctic Investment Protocol of the World Economic Forum Global Agenda Council on the Arctic aspires to promote sustainable and equitable economic growth in the region that furthers community well-being and builds resilient societies in a fair, inclusive, and environmentally sound manner. The 22-member Council, which includes Guggenheim's Global Chief Investment Officer Scott Minerd is a global committee devoted to ensuring responsible development in the Arctic. The following six principles lay the foundation for the Arctic Investment Protocol:

- Build resilient societies through economic development
- Respect and include local communities and indigenous peoples
- Pursue measures to protect the environment of the Arctic
- Practice responsible and transparent business methods
- Consult and integrate science and traditional and ecological knowledge
- Strengthen pan-Arctic collaboration and sharing of best practices

Setting Sustainability Standards for Investors

Working with the WWF, Guggenheim commissioned the Stanford Global Projects Center to analyze the myriad standards, reporting tools, ratings certifications, and accounting systems that have become a familiar part of sustainable investing. "State of the Practice: The Sustainability Standards for Infrastructure Investors" examined metrics and tools from 11 different global organizations, including the International Finance Corporation's sustainability framework, Greenhouse Gas Protocol's accounting standards, and Principles for Responsible Investing. The reporting systems operate either as project screening tools or accounting tools. The screening tools focus on the review or verification of information at the project level, culminating in a project rating or total score against a series of sustainability standards. The accounting tools are broad standards for reporting performance against specific indicators or sustainable development goals.

Verifiable, actionable standards are essential in order to advance the Sustainability Quotient. As the infrastructure asset class has grown and developed over the last fifteen years, institutional investors, asset managers, developers, designers, and public sector sponsors have noted that infrastructure development has a profound impact on our climate, natural environment, and societies. Moreover, the asset class is a natural union between long-term investing and sustainability. Infrastructure assets have useful lives that often exceed 50 or 100 years, making sustainability and the accounting of environmental or social externalities particularly critical. Despite these facts, the field of infrastructure sustainability accounting and assessment tools is relatively underdeveloped. To address this problem, Guggenheim worked with the WWF and the Stanford Global Projects Center to produce a groundbreaking new study, "State of the Practice: Sustainability Standards for Infrastructure Investors," which identifies and analyzes the various metrics established so far by multiple organizations to assess the sustainability of infrastructure investments.

While significant progress has been made, there is more work to be done to reach the goal of actionable, verifiable, and widely used standards. Through continuing this dialogue, we can move towards establishing standards and certifications for the planning, design, operation, financing, and community engagement that will benefit the world for generations to come.

Integrating ESG into the Guggenheim Investment Process

While sustainability has broad implications for a wide range of investment practices, challenges, and opportunities, ESG considerations are specific as they relate to security selection, valuation, and risk mitigation in the investment process.

Notable ESG Criteria

Environmental

- Pollution and Waste
- Climate change impacts
- Biodiversity and habitat protection
- Fuel and energy management

Social

- Product liability
- Community outreach
- Human capital
- Data security and privacy

Governance

- Ethics and corruption
- Accounting, audit and disclosure practices
- Corporate behavior
- Board structure

At Guggenheim, we view ESG investing as an important component of our investment philosophy and process. We believe that ESG factors can meaningfully influence investment outcomes, and that careful analysis of these criteria are a factor in evaluating the risks associated with different investments. Evaluating these factors may lead to actions, including steering capital away from or towards companies in consideration of their ESG characteristics. It could also include strategically seeking investment opportunities that generate long-term value for our clients, are sustainable in nature or advance innovative solutions to achieve positive, scalable change for society and the environment.

While we have considered ESG criteria in areas of our investment processes for some time, we believe that as markets become increasingly aware of these factors and price investments accordingly, it is incumbent on us to take a formalized approach to addressing them across our alpha-seeking strategies. Our investment professionals primarily conduct ESG assessments in a bottom-up fashion and have access to data and insights from leading third-party research to provide scale in their analyses. When appropriate, they may also engage issuers on a case-by-case basis to encourage best practices on ESG issues. Examples of ESG criteria that we consider throughout our analysis are set forth below.

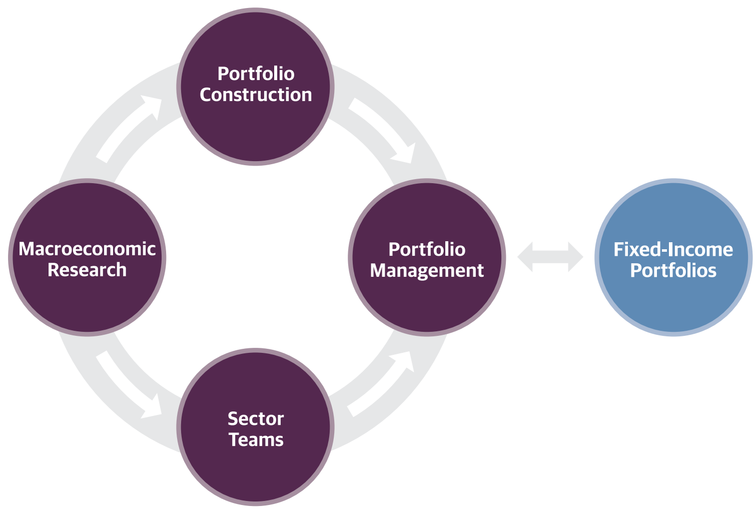
At Guggenheim, the process by which these considerations are coordinated with the daily practice of portfolio management are governed by our ESG Integration Statement. In practice this means that, where relevant, our investment professionals include an assessment of ESG-related criteria alongside traditional fundamental factors. In such situations where we believe that ESG criteria will have a material impact on an investment's return or issuer's financial performance, we weight these criteria alongside traditional factors in making investment decisions.

At Guggenheim, we disaggregated our fixed-income investment process into primary and independent functions performed by four specialized groups: The Portfolio Management Team, Portfolio Construction Group, Macroeconomic Research, and Sector Teams work together to create optimally structured investment portfolios, and all consider ESG criteria within their processes.

Each of the four groups has more time to focus on—and is the only group responsible for—its area of expertise. In our disaggregated process, we believe the specialized roles work together to enable a better process of making decisions. More effortful, deliberative decision making, as demonstrated in seminal work by Nobel Prize winner Daniel Kahneman and his colleague Amos Tversky, is intended to minimize cognitive biases and remove the emotional component from the process.

- The largest portion of the ESG analysis is managed by the research analysts within our Sector Teams. These analysts are the closest to the companies and issuers they cover and in the best position to assess the relevance and materiality of ESG issues. They incorporate ESG criteria into their bottom-up, fundamental analyses of issuers, evaluate risks, such as litigation, regulatory sanctions or loss of business

Guggenheim's Investment Process



opportunities associated with a company's ESG practices, and combine them with relative value views. Industry, sector, and country level dynamics are also assessed, particularly as a means of guidance to identify and appropriately weight ESG factors.

- The Macroeconomic Research team, in addition to providing the outlook on the U.S. and global business cycle and market forecasts, also analyzes sovereign credits, and factors in elements of ESG, particularly governance, into their views.

- The Portfolio Construction Group, by using inputs from the Sector teams and the Macroeconomic Research team, incorporates in turn those ESG factors into portfolio design.

- The Portfolio Management team is an internal consumer of the aforementioned ESG analyses and assesses these and other factors alongside each other at the aggregate portfolio level, while also ensuring that any ESG-specific client guidelines are being met.

Case Studies

ESG Analysis of Medical Services Provider

An outsourced medical services provider came to market with a new deal that raised red flags around unethical and potentially fraudulent business practices related to out-of-network patient billing and upcoding of Medicare/Medicaid expenses. Alongside traditional fundamental factors, our analysts assessed materiality of the issues by noting that (a) patient billing practices were topical in the current regulatory dialogue, (b) they represented an outsized contribution to EBITDA, and (c) there were clear reputational risks involved for the business' brand. Despite benefiting from both its status as a market leader within the growing outsourcing market and the lack of capital expenditure spending needs to draw from cash flows, we judged that its pricing and upcoding practices represented material risks to financial performance on a go-forward basis. We therefore passed on the deal and witnessed immediate softness in secondary trading of the new deal after issuance. Around the same time, a key insurance partner announced it may drop the Company from its network citing "skyrocketing costs."

Should the investment team uncover an ESG risk or certain practices during the due diligence or monitoring process, that they believe can be better managed by the issuing company to mitigate its overall risk, they will assess the level of materiality and underlying factor driving the specific issue/industry and then incorporate that in their determination of the investment's relative value. The presence of an ESG risk is not necessarily a reason to exclude a specific position from our investment universe or not to perform due diligence on it. In this regard, ESG risk is treated in our process like other risks (e.g., financial, covenant, interest rate, and liquidity) in that it allows the analysts to more comprehensively assess the credit quality of a given investment versus its return potential, and to subsequently make an informed decision.

Recognizing that an issuer's risk profile will change over time, our approach incorporates a forward-looking assessment of ESG criteria. In practice, this means that we may rate an issuer's ESG characteristics more favorably if it is taking concrete steps to improve its risk profile by improving governance, addressing environmental or social policies, or deploying capital towards projects that are likely to lead to a more sustainable enterprise. The inverse is also true if we believe an issuer's ESG characteristics are likely to deteriorate in the future.

The evaluation of ESG criteria within our actively managed equities business shares many of the same qualities with fixed income, with additional emphasis on quantitative analysis of ESG criteria in certain strategies.

For our accounts that own equities, we have established a proxy voting policy. These policies and procedures serve as guidelines for proxy voting decisions and detail the process by which such decisions are made, including votes related to ESG issues.

In many cases, we use data and insights from leading third-party research to provide scale in the analysis of ESG-related criteria within our portfolio holdings and the broader market. Third-party research is considered as one input within the ESG due diligence process; we believe our investment teams, who are sector specialists and deeply involved in analyzing issuers, are ultimately best positioned to determine the materiality of ESG criteria.

The Guggenheim Investments ESG Oversight Committee, under the direction of the Sustainability Stewardship Council, has ultimate responsibility for overseeing the Firm's execution and integration of ESG considerations into our investment strategy and into other relevant Firm processes and practices. It is a cross-functional team of experienced executives from various departments ranging from Compliance and Strategy to Risk Management and Investments that regularly reviews this Statement against industry best practices and internal development and integration. On a broader level, the Sustainability Stewardship Council, a cross-functional leadership team comprised of senior executives, oversees the Firm's overarching sustainability strategy and execution.

Committed to Responsible Citizenship and Global Engagement

At Guggenheim, our commitment to sustainability and ESG principles begins at home. We believe that our ability to provide our clients with innovative solutions that weigh sustainability and ESG considerations cannot occur without a similar approach to the way we manage our firm, treat our people, and engage the world in which we work and live. This commitment is evidenced by a wide range of policies, programs, partnerships, engagements, and events. Many of these activities are summarized in our annual Impact Report.

As a firm, we maintain a strong corporate culture of responsibility and sustainability by creating a work environment built on acceptance and respect, which fosters individual creativity and attracts and empowers the best and brightest talent to deliver extraordinary results for our clients. We examine every aspect of our business to ensure it is following the most sustainable practices possible—such as promoting efficient electricity usage, encouraging teleconferencing, offering environmentally friendly pantry supplies, and following earth-smart waste management. We provide a diverse and inclusive workforce with an array of professional development programs and community service opportunities.

We further work towards being a responsible firm by utilizing the appropriate governance and fiduciary channels, as well as developing robust compliance and ethics programs. A complete slate of best-in-breed policies and procedures governing our workplace serves to uphold our reputation of integrity and professionalism in the best interest of our clients and ensures our firm and our employees comply with all applicable laws, rules and regulations.

Compliance and Ethics

Guggenheim conducts business and operations with the highest legal and ethical standards by establishing a strong culture of compliance. These standards are integrated into business practices and workflow through prevention, monitoring, education and training, issue management, and ongoing improvement. Furthermore, we hold all third-party vendors to the same legal and ethical standards to ensure their policies, procedures, and practices are consistent with those of the firm.

Case Studies

Network for Social Innovation (NSI)

Guggenheim's award-winning Network for Social Innovation program makes strategic venture philanthropy investments in early stage nonprofit organizations that use innovative solutions to solve enduring social problems. The program provides partners an initial philanthropic investment of $100,000, as well as "creative capital"—Guggenheim employees' time, talent, and networks—to help them achieve greater scale and impact for their programs. Guggenheim has now partnered with ten NSI organizations in two separate tranches of investment and plans to open the NSI program to a new round of applicants every other year.

Diversity and Inclusion

Guggenheim's Office of Diversity and Inclusion collaborates across the firm to create and implement strategies that reflect Guggenheim's commitment to a diverse, innovative and inclusive workplace. Employees directly enrich this culture through participation in the following networks and initiatives:

- Multicultural Employee Business Network (MEBN)
- Women's Innovation and Inclusion Network (WIIN)
- Guggenheim Invests in Veterans Everyday (GIVE)

Our commitment to providing equal employment opportunity extends to all aspects of the employment relationship, including recruitment and hiring, training and development, job assignments, promotions and transfers, performance appraisals, compensation, benefits, terminations, and all other terms, conditions, and privileges of employment. Additionally, our Non-Discrimination and Harassment Prevention Policy reinforces our dedication to preserving a workplace free from expressions of bias, prejudice, and harassment.

In 2018, Guggenheim introduced expanded parental leave benefits aligned with the industry's best-in-class, positioning Guggenheim among the leading firms that offer twelve weeks of paid leave for both mothers and fathers, including adoptive parents.

Professional and Personal Development

Guggenheim supports and encourages professional growth through online training programs, performance assessment, mentoring, tuition reimbursement, and opportunities for internal mobility. In addition, a dedicated Corporate Events team organizes events centered on employee appreciation, engagement, and recognition.

Partnerships

A key tenet of our long-term value philosophy is working with leading institutions to promote critical initiatives and to produce research and reports on sustainability. Guggenheim works alongside organizations and stakeholders around the globe that are critical to this work. These organizations include, but are not limited to, the World Economic Forum, the UN Foundation, the World Wildlife Fund, the Natural Capital Project, and the Stanford Global Projects Center.

Corporate Social Responsibility (CSR)

Guggenheim's CSR practice was launched in 2014 and is committed to catalyzing positive, scalable social change through strategic philanthropic investments and employee engagement. In 2017, CSR staged 155 social impact events across twelve different offices, with 93 percent participation across the firm. Through our CSR program, the firm itself donated a total $3.4 million to different charitable organizations, often at the direction of employees. We partner with organizations to foster transformative impact in their communities through initiatives that affect a wide range of beneficiaries, such as small businesses, urban vitality projects, nonprofits, and the under-served. Guggenheim seeks to contribute to our communities through both Employee Engagement and Strategic Giving programs.

Through our Employee Engagement program, Guggenheim provides Matching Gifts and Volunteer Time Off benefits to all employees, thereby supporting our employees who are dedicating their personal time and resources to nonprofit organizations that matter most to them. Through our Strategic Giving program, Guggenheim commits its own capital to invest in innovative nonprofits that are working to solve the world's most enduring social challenges.

Guggenheim's Network for Social Innovation (NSI) is one way we do this. It is built on the premise that Guggenheim can drive greater impact by partnering with young non-profits, since we are able to offer both meaningful financial contributions and significant capacity-building services to early-stage organizations.

Sustainability Governance

The Guggenheim Investments ESG Oversight Committee, under the direction of the Sustainability Stewardship Council, has ultimate responsibility for overseeing the Firm's execution and integration of this Statement into our investment strategy and into other relevant firm processes and practices. It is a cross-functional team of experienced executives from various departments ranging from Compliance and Strategy to Risk Management and Investments that regularly reviews this Statement against industry best practices and internal development and integration. On a broader level, the Sustainability Stewardship Council, a cross-functional leadership team comprised of senior executives, oversees the firm's overarching sustainability strategy and execution.

As part of this oversight, we strive for ongoing dialogue with clients, employees, regulators, business partners, other stakeholders, and third-party experts, to ensure positive outcomes for all related parties. This valued exchange of ideas provides relevant input for our internal discussions and positioning on ESG issues and helps inform our RI decisions. We believe that transparency and stakeholder dialogue are vital to integrating ESG into our investment process. As such, the ESG integration practices of Guggenheim Investments will evolve and improve over time.

Important Notices and Disclosures

This material is distributed or presented for informational or educational purposes only and should not be considered a recommendation of any particular security, strategy or investment product, or as investing advice of any kind. This material is not provided in a fiduciary capacity, may not be relied upon for or in connection with the making of investment decisions, and does not constitute a solicitation of an offer to buy or sell securities. The content contained herein is not intended to be and should not be construed as legal or tax advice and/or a legal opinion. Always consult a financial, tax and/or legal professional regarding your specific situation.

Investing involves risk, including the possible loss of principal. Infrastructure investments may be subject to a variety of risks, not all of which can be foreseen or quantified, including operating, economic, environmental, commercial, currency, regulatory, political and financial risks. Investing in a specific sector such as infrastructure is more volatile than investing in a broadly diversified portfolio, as there is a greater risk due to the concentration of holdings in issuers of similar offerings. Sustainability requirements, including environmental, social, and governance (ESG) obligations may limit available investments, which could hinder performance when compared to strategies with no such requirements.

1. Assets under management are as of 9.30.2018 and include leverage of $11.8bn. Guggenheim Investments represents the following affiliated investment management businesses: Guggenheim Partners Investment Management, LLC, Security Investors, LLC, Guggenheim Funds Investment Advisors, LLC, Guggenheim Funds Distributors, LLC, Guggenheim Real Estate, LLC, GS GAMMA Advisors, LLC, Guggenheim Partners Europe Limited and Guggenheim Partners India Management.

2. Assets under management are as of 9.30.2018 and include consulting services for clients whose assets are valued at approximately $66bn.

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Contact us

New York

330 Madison Avenue
New York, NY 10017
212 739 0700

Chicago

227 W Monroe Street
Chicago, IL 60606
312 827 0100

Santa Monica

100 Wilshire Boulevard
Santa Monica, CA 90401
310 576 1270

London

5th Floor, The Peak
5 Wilton Road
London, SW1V 1LG
+44 20 3059 6600

Tokyo

Otemachi First Square, West Tower
1-5-1, Otemachi, Chiyoda-ku
Tokyo 100-0004
+03 4577 7880

About Guggenheim Investments

Guggenheim Investments is the global asset management and investment advisory division of Guggenheim Partners, with more than $207 billion[1] in total assets across fixed income, equity, and alternative strategies. We focus on the return and risk needs of insurance companies, corporate and public pension funds, sovereign wealth funds, endowments and foundations, consultants, wealth managers, and high-net-worth investors. Our 300+ investment professionals perform rigorous research to understand market trends and identify undervalued opportunities in areas that are often complex and underfollowed. This approach to investment management has enabled us to deliver innovative strategies providing diversification opportunities and attractive long-term results.

About Guggenheim Partners

Guggenheim Partners is a global investment and advisory firm with more than $265 billion[2] in assets under management. Across our three primary businesses of investment management, investment banking, and insurance services, we have a track record of delivering results through innovative solutions. With 2,400+ professionals based in more than 25 offices in six countries, our commitment is to advance the strategic interests of our clients and to deliver long-term results with excellence and integrity. We invite you to learn more about our expertise and values by visiting GuggenheimPartners.com and following us on Twitter at twitter.com/guggenheimptnrs.

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