

Socially and Environmentally Responsible Practices Survey

Chartwell Investment Partners

Please note: As part of our commitment to an open and transparent government, your completed survey will be posted in its entirety in electronic format on Treasury’s Web site at <http://www.patreasury.org>,

A. Women and Ethnic Minority Query

Firm Practices

1. Please detail the employee diversification of your firm, emphasizing executive and management positions that have decision-making responsibilities. Count each employee only once, except owners may be counted both as owners and employees if the owner has significant operational responsibilities. If s/he has multiple roles, count the employee in the category where s/he spends the most time.

Example:

Position	Ethnic Minority	Women	Female Minority	Other	Total
Owners (and % ownership)	1 (25%)	0	0	0	1
Executive Management (e.g. CEO, COO, VP, Directors)	0	1	0	4	5
Investment Decision makers (portfolio managers, traders, etc.)	1	0	0	2	3
Investment Professionals (analysts, compliance officers, etc.)	0	0	1	1	2
All other FTE	2	2	0	3	7
TOTAL	4	3	1	10	18

Actual:

Position	Ethnic Minority	Women	Female Minority	Other	Total
Owners (and % ownership)	1(3%)	4(14%)	1(3%)	24(55%)	30(75%)
Executive Management (e.g. CEO, COO, VP, Directors)	0	2	0	12	14*
Investment Decision makers (portfolio managers, traders, etc.)	0	1	0	12	13**
Investment Professionals (analysts, compliance officers, etc.)	2	1	0	10	13***
All other FTE	0	4****	1	4****	9
TOTAL	2	5	1	35	43

* - all included in “owners”

** - majority included in “owners”

*** - some included in “owners”

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2. Please describe relevant initiatives and/or policies that assist in recruiting women and minorities to your firm and retaining and promoting those employees in your firm.

CHARTWELL is committed to the principles of equality in employment. It is contrary to our policy to discriminate against individuals because of race, color, religion, age, national origin, sex, sexual orientation, disability, veteran status or any other status prohibited by law. We expect that all employees will be treated equally without regard to these characteristics. Consistent with this policy, CHARTWELL strives to ensure that:

- **Applicants are recruited, hired and trained for all jobs without regard to race, color, religion, age, national origin, sex, sexual orientation, disability, veteran status or any other status protected by federal, state or local laws.**
- **Transfers, promotions and lay-off decisions are made without regard to race, color, religion, age, national origin, sex, sexual orientation, disability, veteran status or any other status protected by federal, state or local laws.**
- **Other personnel policies and practices, including compensation, benefits, discipline and company-sponsored programs and activities are administered without regard to race, color, religion, national origin, sex, sexual orientation, disability, veteran status or any other status protected by federal, state or local laws.**
- **All employees are treated by others in the work place with dignity and respect.**

CHARTWELL encourages employees to notify their immediate manager or the Human Resources Department if a situation arises which the employee believes conflicts with our policy. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Vendors and Subcontractors

3. What percentage of your trades utilizes minority/women-owned brokerage firms?

Chartwell generally has the authority to select brokers to effect transactions on a client's behalf. When Chartwell places orders for the purchase or sale of portfolio securities for a client's account, it

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uses reasonable efforts to seek the best combination of price and execution in selecting brokers. Chartwell's primary objective in placing orders for the purchase or sale of securities for a client's account is to obtain the most favorable net results taking into account such factors as price, commission, size of order, difficulty of execution and skill required of the broker. Therefore, it is possible that Chartwell may have used Minority/Women brokerage firms as long as they fall under the criteria described above, but we do not separately track these arrangements and to the best of our knowledge we have not used Minority/Women brokerage firms when trading for the PA Treasury Fund.

4. Do you consider women and minority ownership or makeup when hiring vendors/sub-contractors, consultants, advisors or other professional services? If so, how? If not, please explain why you do not.

See employment policy described in item A2 above.

5. Please provide any other information you feel may be relevant or may help Treasury understand your approach to employee and vendor/subcontractor diversification.

No further information available.

B. Environmental/Sustainability Query

Firm Practices

1. Please provide information related to your firm's policy/initiatives/efforts with respect to environmentally responsible and sustainable practices.

Chartwell does not currently have any policies or initiatives with respect to Environmental issues, however, we've recently added trash recycling as well as shredding of unnecessary documents throughout our offices. We have continued to deploy capital and resources to our infrastructure, IT systems & disaster recovery, and most importantly to the firm's human capital which is ultimately linked to Sustainability in the investment management business.

Vendors and Subcontractors

2. Do you consider the environmental or sustainable practices of vendors and subcontractors in hiring decisions? If so, how? If not, please explain why you do not.

When hiring vendors/sub-contractors, our concerns are with providing the best quality at the lowest possible cost.

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Investment Decisions

3. Do you consider environmental / sustainability issues when making investment decisions? If so, how? If not, please explain why you do not.

Chartwell's investment decisions are based on a number of factors of which the most important being to consistently deliver superior investment results and superior service to our clients.

4. Are there specific sectors or industries that you are likely to over or underweight due to climate risk or opportunity? If so, which ones?

Given the uncertainty surrounding potential regulatory requirements governing carbon emissions in the United States, our high yield portfolios will likely remain underweight the coal-based independent power producer portion of the utility sector.

5. How do you obtain information about climate risk and environmental factors?

We gather information about climate change and environmental factors through the same channels that we utilize in our credit research process; namely meetings with company managements, SEC filings, news agencies, government reports, industry contacts, sell side analysts and the rating agencies.

6. Have you adopted the United Nations Principles for Responsible Investing? (<http://www.unpri.org/>). If not, are you in the process of evaluating, or would you consider evaluating adoption of the United Nations Principles for Responsible Investing?

Pursuant to the United Nations Principles for Responsible Investing, Chartwell is an SEC registered Investment Adviser to which certain of the principles apply. However, we are governed by the Investment Advisers Act Rule 206(4)-7 that requires investment advisers implement a compliance program with formalized policies, procedures and a review process of the policies and procedures. An effective compliance program requires resources and the involvement and direction of the management of the firm. Since the inception of the firm, Chartwell's designated CCO has been part of the executive management team, and the CCO has a position on Chartwell's Management Committee. Chartwell's CEO has a position in the firm's Compliance Group, and is heavily involved in compliance communications to employees. Management has been able to establish a true compliance culture. Chartwell maintains its compliance policies in the firm's Compliance Manual, which is distributed to all employees upon hire, then annually, and any time the manual is amended. New employees are required to sign a certification that they have read the manual, understand the policies, and that they will fully comply with such policies. On an annual basis, each employee must sign a similar certification that he/she has fully complied with the policies over the past year. In each

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certification, the employees must also make other representations regarding any history of legal issues or disciplinary action by any court, regulatory agency or exchange related to investments or fraud.

Our portfolio management teams adhere to client investment guidelines when making investment decisions for the portfolios, a copy of which we are given at commencement of the client relationship and anytime thereafter the client communicates a change.

Please detail any other information you feel may be relevant or helpful for Treasury to understand your approach to evaluating the significance of environmental and sustainability issues in making investment decisions.

No other relevant information is available.

C. Pennsylvania Commitment Query

Please provide numbers detailing the firm and client presence in Pennsylvania.

Example:	PA	Total
Headquarters	0	0
Offices	1	2
Employees	12	24
Clients HQ in PA	30	75

Actual:

	<u>PA</u>	<u>Total</u>
Offices	1	1
Employees	43	43
Clients	33	162

Please detail any other information you think relevant regarding the extent of your business contacts or activities in Pennsylvania.

D. Geopolitical Risk

1. How do you take geopolitical risk into account when making investment decisions? If so, how? If not, please explain why you do not.

Our portfolios invest primarily in domestic, U.S. dollar denominated high yield issuers, where geopolitical risk is generally not an issue. On a macro level, we may adjust industry weightings (energy, transportation, etc.) based on world events and our perceived assessment of geopolitical risk at a particular point in time.

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2. Do you currently have in place policies that prohibit or limit investment in companies doing business with countries identified as state sponsors of terrorism by the U.S. State Department? If so, please provide those policies.

No, our portfolio management teams adhere to client investment guidelines when making investment decisions for the portfolios, a copy of which we are given at commencement of the client relationship and anytime thereafter the client communicates a change.