

Statement of Commitment to the Japan Stewardship Code

We are entrusted by our clients to serve as stewards of their capital. Brandywine Global is committed and aligned with the stewardship responsibilities set forth within the Japan Stewardship Code as part of our fiduciary duty to enhance the long-term investment returns of our clients.

Principle 1

Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.

Our ESG Integration and Engagement Policy Statement details how we incorporate ESG factors into the investment process and our proxy voting and engagement activities. We also have a Sovereign Engagement Policy Statement that provides a framework on how we approach engagement activities at a country level.

As fiduciaries, we employ a disciplined investment process that seeks to both uncover opportunities and evaluate potential risks while striving for the best possible return outcomes within our investment guidelines. Consistent with these objectives, our process includes an integrated evaluation of the business or sovereign, financial conditions, capital allocation at a corporate level, economic conditions at a country level, and environmental, social and governance factors. We recognize that relevant and material stewardship and ESG issues can meaningfully affect investment performance, and these factors are critical components of our integrated research analysis, decision-making, and ongoing monitoring. We expect all countries and companies in which we invest to apply appropriate stewardship to benefit their stakeholders, including bondholders and shareholders. It is our responsibility to exercise active ownership through proxy voting and engagement as a means of supporting sound policies and practices, communicating our views to companies, and promoting change.

Principle 2

Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Brandywine Global maintains a Conflicts of Interest Policy (“Policy”) to ensure that clients’ interests are put first. The Policy seeks to identify the more significant conflicts of interest that may exist from time to time in the course of its investment management activities but is not intended to identify all actual or potential conflicts of interest. Conflicts of interest related to the stewardship responsibilities of proxy voting and engagement are covered in the Policy.

Brandywine Global’s goal in voting proxies is to act prudently and solely in the best economic interest of its clients for which it is voting on their behalf. The Proxy Voting Policies and Procedures outline the general principles for voting and include

Promoting Deeper Insights

At Brandywine Global, we believe the inclusion of factors related to sustainable and responsible investing are necessary for a complete understanding of both risk and opportunity.

- **Environmental** – Unsustainable or controversial environmental policies may lead to financial penalties, compromised reputation, competitive disadvantage, and negative implications for growth.
- **Social** – Poor labor practices or human rights violations may put companies or countries at risk of unrest or upheaval, impairing economic progress.
- **Governance** – Insufficient governance may promote an environment that ignores investor rights and interests while enabling fraud or corruption, limiting investment returns and exacerbating risks.



procedures for addressing material conflicts of interest. If it is determined by the Investment Committee that a conflict of interest is material, the Investment Committee shall determine an appropriate method or combination of methods to resolve such conflict of interest before the proxy affected by the conflict of interest is voted by Brandywine Global.

Engagements are an integral part of our investment process as we use engagement interactions to better inform our investment decisions, address existing or potential economic and business risks, promote added-value within companies and countries, or to avoid investments that pose an unacceptable level of risk. Conflicts of interest that may arise over the course of the engagement process are covered by the Policy. In terms of corporate investments, we carry out engagements with companies where there may be a conflict of interest, namely where the company or sovereign entity also represents a client relationship. In the circumstance that an issue develops with the engagement, it will be escalated to the Investment Committee and General Counsel & Chief Compliance Officer to determine the appropriate response and action.

Principle 3

Institutional investors should monitor investee companies and countries so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies and governments.

Our analysis and monitoring of both countries and companies are a continuous process to ensure that we stay current with ongoing developments at each company or country. With respect to corporate holdings, through our stewardship we vote proxies and shareholder proposals as part of the company annual general meeting and actively engage on issues where necessary. We also participate in several industrywide working groups to engage collaboratively with both corporations and government officials on a variety of fundamental economic issues and ESG opportunities.

Principle 4

Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

We view engagement as a two-way dialogue with companies and government officials to further understand risks and opportunities or to seek changes that we believe will enhance the value of an investment and support long-term sustainable growth. For countries, we generally focus on issues that we believe will impact the value of the company's shares, which may include but are not limited to, financial disclosure, business strategy, capital allocation, management compensation, internal risk controls, and environmental and social factors. For sovereign nations, we focus on a variety of factors that would affect a country's asset prices, the ability to repay its lenders, and the liquidity of its bond market. These drivers include a number of economic and ESG factors, which when taken collectively, could affect bond and currency prices.

Principle 5

Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.

Brandywine Global's proxy voting is guided by the Proxy Voting Policy and Procedures document, available on our website and by request. We vote proxies solely in the best economic interest of our clients in a manner that we believe will be consistent with efforts to maximize shareholder values. The proxy voting guidelines provide a set of general guidelines but may deviate from these guidelines with respect to any one or more proxy votes, subject in all cases to the investment team's duty to act solely in the best interest of their client accounts holding the applicable security.

We utilize Glass Lewis, an independent proxy service firm, to provide Brandywine Global with research and recommendations regarding proxy votes. The investment teams are guided by the recommendation but review and consider each vote on a case-by-case basis.

Brandywine Global provides voting activity reports to clients upon request. In fulfillment of our commitment to the Japan Stewardship Code, we will annually publish an aggregated proxy voting summary to our website.

Principle 6

Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

We believe in being transparent about how we conduct our stewardship responsibilities. Our voting and engagement approaches are summarized in the Proxy Voting Policy and Procedures and the ESG Integration and Engagement Policy Statement, both available on our website. We also offer proxy voting and engagement reporting for our client and consultant relationships. Additionally, we report annually on our activities within the annual Principles for Responsible Investment Transparency Report.

Principle 7

To contribute positively to the sustainable growth of investee companies, institutional investors should have in-depth knowledge of the investee companies and their business environment and skills and resources needed to appropriately engage with the companies and make proper judgments in fulfilling their stewardship activities.

Brandywine Global is a global, multi-asset class investment firm which offers clients an array of investment solutions to best meet their goals, with both fundamental and quantitative approaches being employed. Within our fundamental approach-based strategies, we have a very strong knowledge of the investee companies and countries, industry and sector dynamics, and overall macroeconomic conditions that have effects on the corporate and sovereign levels. We use that information to frame our engagements and address significant issues with the company or country. For our quantitatively oriented strategies, our stewardship focuses on the most material issues that may present a risk and we supplement our knowledge with ESG research from MSCI.

As a signatory to the PRI we complete the annual transparency report which provides details on our approach to ESG incorporation and active ownership, as well as the strategy and governance supporting our ESG program. The report can be provided upon request and is also available through the PRI website. Additionally, we provide proxy voting reports to our clients, and are developing reporting to share examples of ESG integration and engagement as part of the investment process.

This material contains the opinions of Brandywine Global Investment Management, LLC, which are subject to change without notice. Analysis and integration of ESG factors is qualitative and subjective by nature, and there is no guarantee that the ESG criteria used, or judgment exercised, by Brandywine Global will reflect the values of any particular investor. This material has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product.

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