Official Statement of Commitment to the Stewardship Code

Acadian Asset Management (Japan) (”We”) hereby declares the acceptance of the Japan’s Stewardship Code.

Principle 1: Institutional investors should have a clear policy on how they fulfil their stewardship responsibilities, and publicly disclose it. Guidance 1-1. Institutional investors should aim to enhance the medium- to long-term return on investments for their clients and beneficiaries by improving and fostering investee companies’ corporate value and sustainable growth through constructive engagement, or purposeful dialogue, based on in-depth knowledge of the companies and their business environment. 1-2. Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities (hereafter, “stewardship policy”) and publicly disclose it. The stewardship policy should cover how they define the responsibility and how they fulfill it, in view of their role in the investment chain running from their clients and beneficiaries to the investee companies.
At our core, we seek investments that are likely to generate the best risk-adjusted returns, inclusive of ESG considerations. We believe ideal investments are characterized by strong financial health, solid business prospects, effective corporate governance, and upside potential. To that end, we integrate factors into our equity investment process that account for management behavior, sociopolitical risk and corruption. In addition, we have an active research agenda to potentially integrate other ESG factors into our process, provided we would still be able to meet our fiduciary duty to our clients to maximize risk-adjusted returns. At specific client direction, we can also incorporate ESG issues into our portfolio construction through active client-driven ESG screening restriction lists. With respect to further stewardship responsibilities, we believe that engagement with investee companies in Japan through proxy voting is quite important. In this context, our Proxy Voting Policy and Procedures are made public and available via the following link. http://www.acadian-asset.com/Contact-Us/Japan.aspx Additionally, we pursue adequate direct engagement strategies as a quantitative manager.
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. Guidance 2-1. While institutional investors should put the interest of their client and beneficiary first in conducting stewardship activities, they inevitably face the issue of conflicts of interest from time to time, for example when voting on matters affecting both the business group the

institutional investor belongs to and a client or beneficiary. It is important for institutional investors to appropriately manage such conflicts.

2-2. Institutional investors should put in place and publicly disclose a clear policy on how they manage key categories of possible conflicts of interest.

We put the interest of our clients first. We strive to prevent conflicts of interest and to manage and mitigate any conflicts of interest that arise from our investment process. Specific procedures are addressed within our Proxy Voting Policy and Procedures. Controls including account coding, separation of roles, and permission controls, have been adopted and built into our quantitative investment process to manage conflicts and ensure no account is favored over another.

Principle 3: Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.

Guidance

3-1. Institutional investors should appropriately monitor investee companies so that institutional investors can fulfill their stewardship responsibility with the aim of enhancing the medium- to long-term corporate value and capital efficiency and supporting the sustainable growth of the companies.

3-2. Institutional investors should monitor investee companies continuously and review as appropriate the effectiveness of the monitoring.

3-3. When investors monitor investee companies, a variety of factors, including non-financial ones, may be considered as relevant. Factors may include, for example, governance, strategy, performance, capital structure, and risk management (including how the companies address risks arising from social and environmental matters) of the investee companies. Relevance of a factor may depend on each investor's investment policy and may differ according to specific investee companies. Institutional investors need to use their own judgment in choosing which factors to focus on in light of their stewardship responsibilities. They should endeavor to identify at an early stage issues that may result in a material loss in the value of investee companies.

We believe it stands to reason that fundamentally well-governed, sustainable businesses have the potential to generate strong results in our portfolios over time. We seek to direct our capital toward companies with not only attractive valuations and strong growth potential but also those with strong financial statements and prudent company management.

We calculate and monitor on a daily basis the investment measures that quantify various aspects of investee companies. In voting proxies, we carry out an analysis of the agenda through our proxy voting agent, Institutional Shareholder Services (ISS).

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.

Guidance

4-1. Institutional investors should endeavor to arrive at an understanding in common with investee companies through constructive dialogue with the aim of enhancing the companies' medium- to long-term value and capital efficiency, and promoting their sustainable growth. In case a risk of possible loss in corporate value is identified through the monitoring of and dialogue with companies, institutional investors should endeavor to arrive at a more in-depth common understanding by requesting further explanation from the companies and to solve the problem.

4-2. Institutional investors should have a clear policy in advance on how they design dialogue with investee companies in various possible situations.

4-3. In principle, institutional investors can well have constructive dialogue with investee companies based on public information, without receiving information on undisclosed material facts. The "OECD Principles of Corporate Governance" and the Tokyo Stock Exchange's "Principles of Corporate Governance for Listed Companies" set the principle of the equitable treatment of shareholders, which applies to the handling of undisclosed material facts. Institutional investors that have dialogue with investee companies should be aware that the companies are expected to abide by the principle and should in essence be discreet in receiving information on undisclosed material facts.

We believe that better corporate governance and long-term sustainability of investee companies contribute to the long-term growth of the value of clients' assets.

As a quantitative manager whose investment philosophy is defined by rigor and objectivity, we rarely visit companies and thus pursue alternative approaches to have engagement with investee companies.

We engage with investee companies in Japan by expressing our intentions through proxy voting. Our proxy voting agent, ISS, pursues a collective engagement approach on our behalf. We believe that ISS's efforts are prudent, given their focus on proxy voting. As a result of this partnership, we track engagements across all portfolio holdings.

Besides, when we have a concern for a company's ESG considerations, we may have direct communication with the company by notifying them of our concerns.

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 sustainable growth of investee companies.

Guidance

5-1. Institutional investors should seek to vote on all shares held. They should decide on the vote in light of the results of the monitoring of investee companies and dialogue with them.

5-2. Institutional investors should have a clear policy on voting and publicly disclose it. Institutional investors should try to articulate the policy as much as possible. The policy should not be comprised only of a mechanical checklist: it should be designed to contribute to sustainable growth of the investee company.

5-3. Institutional investors should aggregate the voting records into each major kind of proposal, and publicly disclose them. Such a disclosure is important in making more visible the consistency of their voting activities with their stewardship policy. However, the types of activities institutional investors give priority to in fulfilling their stewardship responsibilities can vary depending on such factors as their stewardship policy and investment policy, and the types of their clients and beneficiaries. If there is a reason to think a disclosure approach different from the disclosure in aggregate mentioned above would portray an investor's whole stewardship activities more appropriately, the investor may choose the approach while explaining the reason.

5-4. When institutional investors use the service of proxy advisors, they should not mechanically depend on the advisors' recommendations but should exercise their voting rights at their own responsibility and judgment and based on the results of the monitoring of the investee companies and dialogue with them. When disclosing their voting activities, institutional investors using the service of proxy advisors should publicly disclose the fact and how they utilize the service in making voting judgments.

We exercise voting rights in accordance with the Acadian Proxy Voting Policy and Procedures. Unless otherwise directed by a client, we vote all proxies through our partnership with ISS. We have adopted the proxy voting policies developed by ISS. The policies have been developed based on ISS' independent, objective analysis of leading corporate governance practices and their support of long-term shareholder value.

Relying on ISS to vote proxies is intended to help ensure that we vote in the best interest of our clients and insulates our voting decisions from any potential conflicts of interest. We monitor ISS' voting recommendations prior to exercising the vote, and we also reserve the right to override the recommendations if we believe that voting contrary to the ISS recommendation is in the best interest of our clients.

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.

Guidance

6-1. "Institutional investors as asset managers" should in principle report periodically to their direct clients on how they fulfill their stewardship responsibilities through their stewardship activities.

6-2. "Institutional investors as asset owners" should in principle report at least once a year to their beneficiaries on their stewardship policy and on how the policy is implemented.

6-3. When reporting to their clients and beneficiaries, institutional investors should choose the format and the content of the reports in light of any relevant agreement with the recipients and the recipients' convenience, and the costs associated with the reporting, and should aim to deliver effective and efficient reports.

6-4. Institutional investors should maintain a clear record of their stewardship activities, including voting activities, to the extent necessary to fulfill their stewardship responsibilities.

We record actual stewardship activities and report details to our clients as stated within each client contract.

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.

Guidance

7-1. To make dialogue with investee companies constructive and beneficial, and to contribute to the sustainable growth of the companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments based on in-depth knowledge of the companies and their business environment.

7-2. Institutional investors should have the necessary internal structure to have appropriate engagements and make proper judgments.

7-3. Exchanging views with other investors and having a forum for the purpose may help institutional investors conduct better engagement with investee companies and make better judgments. Institutional investors should review at an appropriate time samples of their previous engagements with investee companies and the judgments they made, and improve their stewardship policy and voting policy based on such review. Institutional investors should continually endeavor to improve the quality of their stewardship activities.

An important objective of our research agenda is to identify and analyze systematic drivers of sustainable corporate growth; to this end, our research includes the evaluation of Environment, Social and Governance metrics.