Responsible Investment Statement

Executive Summary

Brandes Investment Partners, L.P. ("Brandes") believes that responsible corporate behavior, the promotion of sustainability, and sound governance practices contribute to the long-term performance of public companies. Such practices and behaviors address the interests of a broad range of a company's stakeholders including shareholders, creditors, employees, customers, suppliers, and the communities in which it operates. Accordingly, as part of fulfilling our fiduciary duties and seeking to maximize risk-adjusted returns for our clients, our long-term, fundamental investment research has always included the evaluation and integration of material environmental, social, and governance ("ESG") issues into our investment process and the allocation of client capital.

The Brandes ESG Steering Committee establishes and annually reviews broad objectives and practices to ensure that our investment staff has the adequate resources and ongoing training to stay current on relevant developments related to ESG issues. Additionally, as industry-wide ESG-related practices, standards, and laws change in the future, we expect our own policies and procedures on how ESG issues are systematically incorporated into our investment process will evolve accordingly. For example, in recognition of our commitment to the integration of material ESG factors into our research and investment process, Brandes became a signatory to United Nations-supported Principles for Responsible Investment Initiative in 2016. In 2023, we expanded our capabilities and invested in the processes and data needed to support various client-driven ESG objectives.

The Brandes Equity Investment Approach

Brandes is guided by a singular long-term valuation-driven investment philosophy and seeks to integrate all material value drivers and risk factors, including those related to ESG issues, into our investment process. As a fundamental, bottom-up manager, detailed company-level research is at the core of our investment approach. The objective of this research is to establish an intrinsic value estimate for each company and to build portfolios consisting of companies trading at discounts to conservative intrinsic value estimates.

Given the depth of due diligence they conduct, combined with their years of company and industry knowledge, our research analysts are in the best position to understand and integrate ESG issues in our company valuations. Integral to our research process is a detailed initiation report that includes an assessment of all material factors. A component of the core initiation report ("Research Report") is an ESG summary that serves to identify and address ESG issues materially impacting the company and the industry in which it operates. Brandes' research analysts utilize proprietary company analysis, third-party reports, and supplementary data and research where relevant, to best incorporate material ESG factors into company valuations. This research is supported by an internal ESG Team of (currently) five staff members. The ESG Team works with third-party data providers to deliver ESG specific industry and company information to our research analysts. This approach ensures our research analysts have the information they need to conduct their assessments of material ESG-related risks impacting portfolio holdings. Additionally, Brandes Research Reports, and the ESG summaries within them, serve to identify ESG-related risks and opportunities to be considered by the Brandes investment committees when constructing and managing portfolios.

Stewardship

As a long-term investor in companies, we strive to think and act like owners of the businesses. Accordingly, we pay particular attention to a company's governance structure. Fundamentally, we believe properly governed companies are in the best position to adequately address the risks and opportunities related to environmental and social factors.

While we strive to invest in companies that have already established proper governance and risk-mitigating practices, it is not unusual for a value-oriented investor to be attracted to opportunities where the market has harshly discounted a company's valuation due to short-term issues, some of which may be ESG-related. In such cases, we may still decide to invest in the company if we believe the risk factors are adequately accounted for in the share price, with further upside possible if we believe the company may take the proper steps to address the issues or, in some cases, if we can help spur positive changes through active ownership and constructive engagement.

Engagement

Both prior to and during the period of ownership, Brandes research analysts directly engage with investee companies on a wide range of issues. The goal of such engagement is to better understand issues facing the company and industry, such as capital allocation, long- term strategy, and management of material risks and opportunities, including those that are ESG-related. Our main method of engagement is through routine dialogue with company management via visits, regular meetings, and conference calls.

When our views, particularly regarding governance structures and practices, differ with those of the company, we will more actively engage with the company's management and/or board of directors if we believe such activities will benefit our clients. The goal of such engagement is to ensure that important decisions and actions are being made in the best interest of long-term shareholders of the company. Materiality of the issues and the company's response and progress on addressing them are typically the main drivers of engagement prioritization and escalation.

While our preference is for individual, confidential engagement with a company's management and board of directors, we will occasionally, where permitted by laws and regulations, collaborate with other shareholders on engagement activities. The decision to collaborate with other shareholders on an engagement is based on the size and nature of the respective shareholdings and whether there is clear agreement on the goal of the engagement.

Brandes investment professionals communicate internally on the status of engagement activities and the eventual results. On a case-by-case basis, we use examples of our engagement activities with companies in order to provide case studies to illustrate our approach of enhancing shareholder value through engagement. Such case studies are provided to clients on request.

Proxy Voting

One of the most significant rights of shareholders is to vote at a company's annual and extraordinary meetings. Our clients typically delegate to Brandes the authority to vote proxies for the securities held in their accounts. Brandes' policy is to vote proxies in a way that serves the best interests of our clients as long-term shareholders. Details of our voting history and a summary of our overall voting statistics are made publicly available.

We believe our research analysts are in the best position to evaluate the impact of proxy proposals on the long-term value of the companies they cover. Therefore, our research analysts are responsible for providing recommendations on all proxy proposals voted on behalf of our clients. This work is supported by the Corporate Governance and Proxy Voting Committee, which is made of up of senior research analysts. We do not believe it is possible to reflect the ESG-related preferences of each of our clients in a single ESG voting policy. Accordingly, we evaluate ESG-related proposals on a case-by-case basis and vote in a way that we believe has the best chance to enhance the long-term value of our clients' shareholdings. Please see *Brandes Proxy Voting Approach* for more information.

While we typically look to express our views through private engagement and voting on company-sponsored proxy proposals, occasionally we will sponsor our own proxy proposals in cases where we believe private engagement has not been successful and it would be more effective to allow all shareholders to express their views through the proxy voting process.

Client-Directed Restrictions / Exclusionary Screening

As part of our investment process and integrated approach to ESG, we do not automatically avoid investment in industries or companies based solely on their ESG practices. We have built out our capability to accommodate client-directed ESG restrictions, and we can systematically utilize third-party screens and/or exclusion lists to meet the client-specified restrictions. For example, we have built out the capability to support our sister entity's UCITS funds' (the "Funds") conversion to Article 8 Funds under the Sustainable Finance Disclosure Regulation as Funds which promote specific environmental and social characteristics. The requirements needed to support conversion include:

- Creation and maintenance of a specific exclusion list as directed by the Funds;
- Consideration and documentation of the principle adverse indicators and materiality for the Funds' holdings;
- Consideration and exclusion of companies that do not satisfy minimum governance standards; and
- Maintenance of a weighted average carbon intensity score for the Funds below a specified range.

External Resources and Data Providers

Along with our own internal research and company/industry disclosures and data, Brandes uses the following third-party research providers to enhance and supplement our fundamental research in the evaluation of ESG issues:

- ***Sustainability Accounting Standards Board (SASB)*** – The SASB Standards are designed to identify and standardize disclosure for the sustainability issues most relevant to investor decision-making in each of 77 industries. The Standards provide the framework for company disclosures about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium and long term. Brandes uses the SASB materiality framework as the backbone of industry-specific analysis of ESG-related issues that are integrated into our company valuations.
- ***Institutional Shareholder Services (ISS)*** – ISS is a leading provider of responsible investment solutions. Brandes uses ISS to provide research to enhance our understanding of a company's ESG practices, objective third-party governance research and recommendations, and standing related to peers.
- ***Glass Lewis*** – Glass Lewis is an independent provider of global governance services. Solutions include proxy research and voting solutions, M&A and other financial transaction research, portfolio risk monitoring, and share recall support. Brandes uses Glass Lewis for independent proxy research and recommendations.
- ***Bloomberg ESG*** – Bloomberg collects, verifies, and continually updates ESG data from published company-reported information. Bloomberg data is used by our research analysts to better understand the risk and opportunities associated with potential investments and counterparties.
- ***Sell-Side Research*** – Increasingly, sell-side research addresses ESG-related issues and themes pertinent to companies, industries, and/or geographies in which we invest. This analysis is used to enhance our ESG integration.

While we utilize this research to aid in our understanding of material ESG factors, we ultimately make our own independent evaluation of such factors and assessment on how they impact the risk and opportunity profile of each company.

Brandes Fixed Income ESG Integration

The Brandes Fixed Income Team is guided by a singular long-term valuation-driven investment philosophy and seeks to integrate all material value drivers and risk factors, including those related to ESG issues, into our investment process. As a team dedicated to deep and fundamental research, our objective is to look beyond financial statements for risks that may not be accurately reflected in the reported numbers. These risks could include a history of poor labor relations, aggressive accounting practices, poor disclosure policies, and contingencies such as environmental fines, production stoppages, or reduced customer demand. These risks could lead to greater leverage due to impaired operating income, lower enterprise valuation – impacting asset coverage of debt – greater risk to a company's ability to access capital markets for debt refinancing, or a combination of these risks to a company's ability to pay its debt obligations.

As creditors, we are primarily focused on the potential downside risks posed by environmental, social, and governance issues. Unless directed by a client, we do not use ESG as a screening or filtering tool. Our approach is to determine whether a factor has the capacity to materially alter the credit profile. If ESG risks have the capacity to affect the probability of default, the loss given default, or the performance of the bond, they are considered as we aim to appropriately price each risk in our credit evaluation. The consideration of such is documented through the inclusion of an ESG section in fixed income research reports, which highlights relevant ESG factors that may affect the overall credit profile and our adjustments to account for those factors. Third-party research providers utilized to address material ESG factors include ISS, Bloomberg ESG, and CreditSights ESG.

Promotion of Responsible Investment

Brandes is committed to encouraging responsible investment and improving sustainability practices within the asset management industry. We continue to refine our ESG practices and strive to promote better standards for all stakeholders. Brandes is a member of, or a signatory to, several initiatives and organizations that strive for greater ESG consideration or sustainable investment promotion, including:

- ***United Nations–Supported Principles for Responsible Investment (PRI):*** "The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole."
- ***International Corporate Governance Network (ICGN):*** "Established in 1995 as an investor-led organization, ICGN's mission is to promote effective standards of corporate governance and investor stewardship to advance efficient markets and sustainable economies world-wide."
- ***Japan Stewardship Code:*** Framework to "promote sustainable growth of companies through investment and dialogue."
- ***Council of Institutional Investors (CII)****:* "A nonprofit, nonpartisan association of U.S. public, corporate and union employee benefit funds, other employee benefit plans, state and local entities charged with investing public assets, and foundations and endowments." It is "a leading voice for effective corporate governance, strong shareowner rights, and sensible financial regulations that foster fair, vibrant capital markets. CII promotes policies that enhance long-term value for U.S. institutional asset owners and their beneficiaries."