



FISHER INVESTMENTS JAPAN

ESG POLICY STATEMENT

FISHER INVESTMENTS JAPAN™

Fisher Investments Japan and Fisher Investments

Fisher Investments Japan (FIJ) was established in Tokyo, Japan in 2015 as a wholly owned subsidiary of Fisher Investments (FI). FIJ serves as the investment manager, and delegates a portion of the investment management function to FI subject to the oversight of the FIJ Portfolio Engineer. This presentation relates to an investment strategy of Fisher Investments Institutional Group (FIIG), which has been managed by FI. FIJ will serve as the investment manager of the strategy for clients in Japan.



INTRODUCTION

Fisher Investments (FI)¹ considers environmental, social and governance (ESG) factors throughout the investment process across all assets managed. Additionally, FI regularly screens and tailors the investment approach for separately managed accounts depending on the particular guidelines mandated by the client. The overall responsibility of implementation and fulfillment of the ESG policy rests with FI's Investment Policy Committee (FI's IPC).

ESG PHILOSOPHY

We believe ESG investors are best served by an investment process that considers both top-down and bottom-up factors. Integrating ESG analysis at the country, sector and stock levels consistent with clients' investment goals and ESG policies maximizes the likelihood of achieving desired performance and improving environmental and social conditions worldwide.

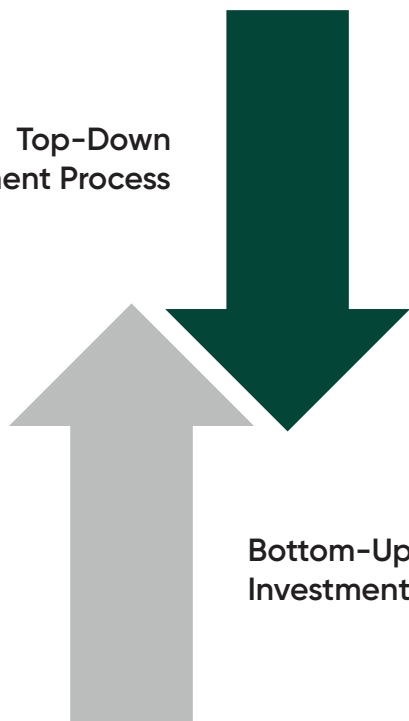
ESG HISTORY

FI has been managing accounts with various thresholds of environmental and social mandates for over two decades. Over that time, we have expanded the depth of our responsible investment capabilities and currently offer a wide range of ESG strategies including impact-related strategies incorporating the UN Sustainable Development Goals (SDGs). FI integrates ESG factors throughout the investment process and is an active owner by voting proxies and conducting direct corporate engagements. As of December 31, 2020, FI and its subsidiaries managed accounts valued at over \$19 billion USD² with ESG, religious and/or socially-responsible investment (SRI) objectives. FI became a signatory to the PRI (Principles for Responsible Investment) in 2014. We provided a response to the UK Financial Reporting Council Stewardship Code in 2018, and the same year Fisher Investments Japan, a wholly-owned subsidiary of FI, became a signatory of the Japanese Stewardship Code. FI also participates in the UN Global Compact and is a signatory to the Climate Action 100+, the Task Force on Climate-related Financial Disclosures (TCFD) and the CDP.

¹ Fisher Investments (FI) is an investment adviser registered with the Securities and Exchange Commission. As of December 31, 2020, FI and its subsidiaries managed over \$158 billion. FI and its subsidiaries consist of four business units – Fisher Investments Institutional Group, Fisher Investments US Private Client Group, Fisher Investments Private Client Group International, and Fisher Investments 401(k) Solutions Group. The Investment Policy Committee (IPC) is responsible for all investment decisions for the firm's strategies.

² All assets as of December 31, 2020 are preliminary. Preliminary assets are subject to final reconciliation of accounts.

Top-Down Investment Process



Bottom-Up Investment Process

ESG factors are considered when developing country, sector and thematic preferences:

- Environmental regulation
- Social policy
- Economic and market reforms
- Labor and human rights

The process involves reviewing and evaluating a range of ESG factors prior to purchasing a security:

- Shareholder concentration
- Corporate stewardship
- Environmental opportunities and liabilities
- Labor and human rights controversies

Fisher Investments evaluates and integrates Sustainability Risks and ESG factors at multiple stages throughout the investment process.

TOP-DOWN INVESTMENT PROCESS

Sustainability Risks and ESG factors are among the many drivers considered by FI's Capital Markets Analysts and FI's IPC when developing country, sector and thematic preferences. Environmental regulation, social policy, economic and market reforms, labor, and human rights are among ESG factors assessed when determining country and sector/ industry allocations and shaping an initial prospect list of portfolio positions.

FI's IPC, with the assistance of FI's Securities and Capital Markets Analysts, determines the materiality of the ESG considerations based on the exposure among publically-traded companies in these categories. Higher materiality could imply larger ESG-related risks or opportunities, and may influence sector and country weight preferences as well as individual stock selection. The investment strategy and positioning reflects Fisher Investments' outlook over a 12-18 month horizon.

At a client's discretion, FI is able to refine prospective equity lists further by applying the firm's or client-provided ESG screens to the list of prospective securities for separately managed accounts. Please reference the appendix for a sample of the firm's screens employed for most ESG portfolios. FI's screening process leverages MSCI ESG Research capabilities to identify and remove portfolio candidates involved in business activities deemed inconsistent with FI's, or client-provided, screens.

BOTTOM-UP INVESTMENT PROCESS

FI's Securities Analysts perform fundamental research on prospective investments to identify securities with strategic attributes consistent with the firm's top-down views and competitive advantages relative to their defined peer group. The fundamental research process involves reviewing and evaluating a comprehensive set of qualitative and quantitative data, including ESG factors, prior to purchasing a security. Factors considered in all portfolios include, but are not limited to: shareholder concentration, corporate stewardship, environmental opportunities & liabilities, and human or labor rights controversies. FI would choose not to invest in companies when, in its opinion, security level issues: (i) violate a client mandated ESG policy or (ii) present an inordinate risk to a company's operational or financial performance or (iii) appear to present undue headline risk to share price performance.

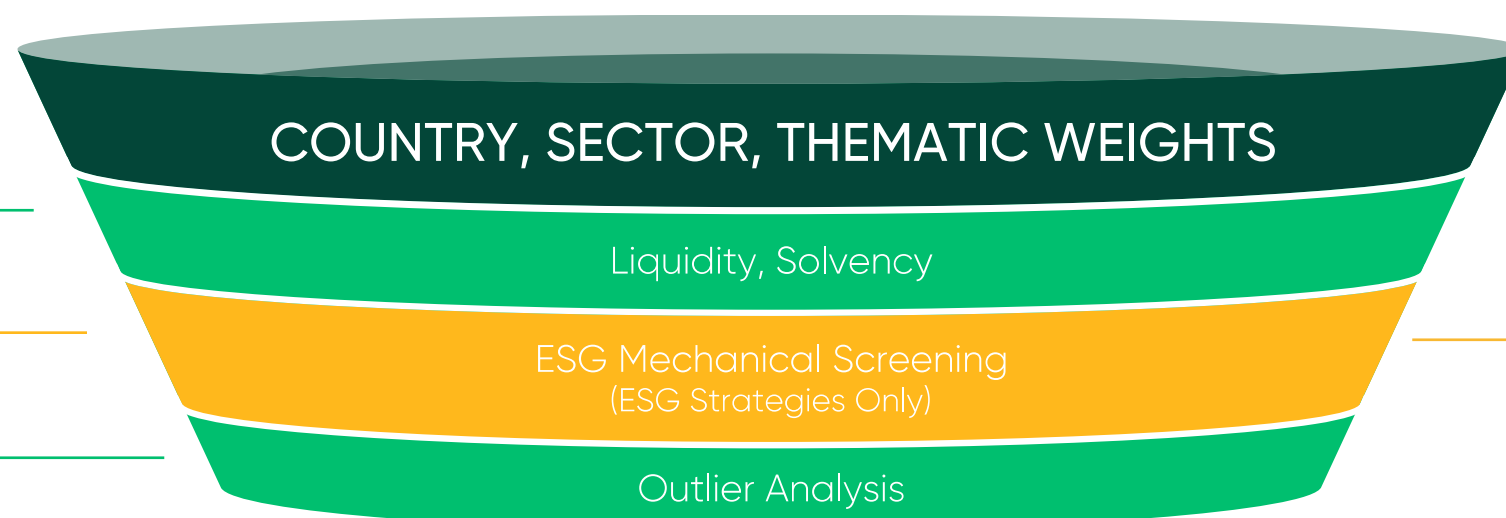
A material contribution of FI's relative performance derives from sector, country, style and thematic decisions. As such, FI does not expect security-level ESG restrictions or preferences to materially impact expected risk or return characteristics of the strategies, relative to the Benchmark over a market cycle. FI believes its ESG-related research capabilities can help enhance portfolio relative performance, particularly in reducing exposure to countries, industries, and securities that may underperform as a result of their negative ESG risks.

Which categories and characteristics are appealing?

Which companies have liquidity or insolvency risk?

Are any companies disqualified based on clients ESG guidelines?

Are any companies inconsistent with the category or peer group?



PROSPECT LIST

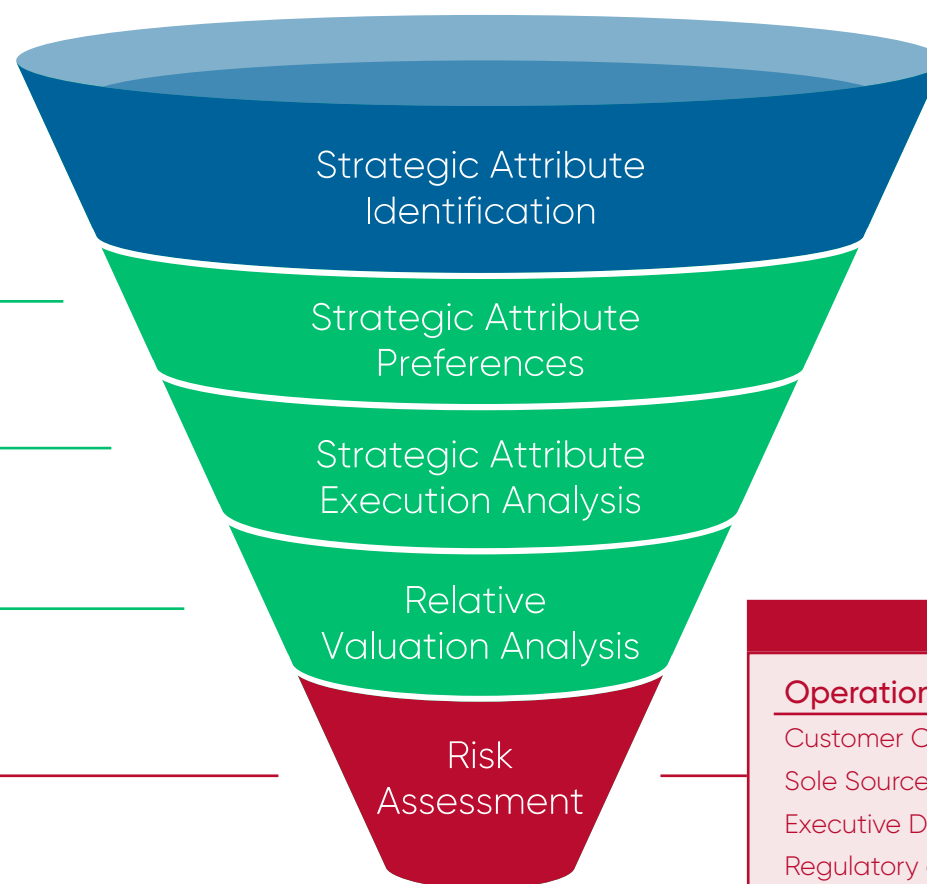
What are the company's competitive advantages?

Which strategic advantages best leverage our top-down views?

How is the company taking advantage of its strategic attribute?

Has the market fully discounted the company's advantages in its share price?

What are the material risks to the security?



SECURITY

ESG Quantitative Screen Examples

Business Activities

Adult Entertainment
Alcohol
Gambling
Tobacco

Defense and Weapon

Biological/Chemical
Cluster Bomb
Land Mines
Conventional Weapons
Nuclear Weapons

Global Sanctions

Burma
OFAC

Global Norms and Conventions

UN Global Compact
ILO Core Conventions

Strategic Attribute Examples

Brand Names	Strategic Relationships	Restructuring Plan
Market Share	Management	Innovator
Cost of Production	Turnaround Story	Strong Product Pipeline
Proprietary Technology	Barriers to Entry	Niche Market
Balance Sheet Strength	Consolidator	Regional Advantage

Red Flag Examples

Operational

Customer Concentration
Sole Source Supplier
Executive Departures
Regulatory and Legal Risks

ESG

Environmental Liability
Labor Relations
Corporate Stewardship

Market and Security

Stock Ownership Concentration
Pending Corporate Actions
Accounting Irregularities
Market Access

THEME DEVELOPMENT & MONITORING

Portfolio and security-level ESG factors are monitored continuously and concerns are elevated to FI's IPC when appropriate.

Capital Markets research analysts monitor how ESG factors may affect high-level portfolio themes. FI monitors key social policies driving wealth creation and economic growth, including, but not limited to: Infrastructure investment, tax policy, free trade, property, human, and labor rights, and government reform. Political factors affecting these social policies are integral to the top-down analysis, allowing us to be cognizant of the regulatory risk surrounding the ESG environment. Further, research analysts monitor responsible investments thematic opportunities and risks deemed material to returns. Environmental thematic opportunities include, but not limited to, those related to the global low carbon transition (e.g. energy efficiency, alternative energy, electrical vehicle trends, green building & sustainable water). Environmental thematic risks include those related to thermal coal power, resource extraction (e.g. labor strikes and resource nationalization) and litigation tied to environmental impact. Similarly, social thematic opportunities are considered including gender, education, shifting consumer preferences (e.g. healthy eating, e-commerce) and poverty trends (e.g. basic needs, infrastructure development).

Securities analysts monitor existing holdings as part of the ongoing research process and elevate meaningful ESG-related deterioration or opportunities at the company level. Each Capital Markets and Securities Analyst has access to a suite of tools from MSCI ESG Research including ESG Ratings, Sustainable Impact Metrics and ESG Controversies. These specialized tools assist in identifying opportunities, risks and controversies at the company level. Additionally, analysts utilize various resources from MSCI ESG Research, Sustainalytics, ISS, Bloomberg, and FactSet to monitor holdings and comply with applicable ESG guidelines.

COMPLIANCE

As a US entity, FI complies with US regulations, including the Office of Foreign Asset Control (OFAC) sanctions. FI's Client Guidelines and Assurance (CGA) Team is responsible for both US and international sanctions monitoring of investments. The CGA Team subscribes to various regulatory body alerts to help identify sanctioned entities. Additionally, FI retains outside legal counsel and employs third party vendors such as MSCI to notify the firm of any changes or updates to sanctions. Sanctioned companies and countries are added to restricted lists in FI order management system, Eze OMS.

CGA is also responsible for monitoring any holdings violating a client's restrictions before and after purchase of the position, such as revenue generation in specific industries (gambling, weapons, alcohol, tobacco, etc.) utilizing various resources from MSCI ESG Research and FactSet. Any violations or potential violations are elevated to the IPC for review.

ENGAGEMENT

FI is an active investment manager on behalf of its and its affiliates' clients that engages with companies as part of its fundamental analysis and to clarify or express concerns over potential environmental, social or governance ("ESG") issues at the firm or industry level.

FI holds meetings with company management as necessary to discuss pertinent issues FI feels are critical to analyzing the company or better understanding peers or relevant industry factors. Information uncovered during engagement as part of FI's fundamental analysis can influence its investment decisions and stock determinations. Depending on the issue, FI may engage in additional meetings with company management, intervene in concert with other institutions on the issue or meet with appropriate members of a company's board. FI commonly engages with company management on proxy voting issues, particularly when Institutional Shareholder Services, Inc. ("ISS") is in disagreement with company management. To encourage a real-time, active engagement dialogue, FI prefers either a phone call or in-person meeting with the company.

FI has dedicated staff that works to identify ESG risks and opportunities and conducts engagement with companies. FI utilizes a combination of qualitative and quantitative information to generate a focus list of potential ESG engagement opportunities. The list is further refined based on bottom up company research. FI may also conduct shareholder engagement upon request of FIE's clients. As part of the engagement process, FI reviews a wide range of materials, which may include: analysis from FI's ESG research providers, company financial and sustainability disclosures, research from responsible investment network partners and relevant NGO reports.

Additionally, FI's Engagement Policy and SRD II disclosures are available upon request.

PROXY VOTING

To the extent FI is authorized and directed to vote proxies on behalf of a client pursuant to the applicable investment management agreement or confidential client agreement, FI utilizes ISS as a third-party proxy service provider. ISS is one of the largest providers of corporate governance solutions with services including objective governance research and analysis, proxy voting and distribution solutions. When FI votes proxies on behalf of clients, FI evaluates issues and votes in accordance with what FI believes will most likely increase shareholder value. Additionally, FI has partnered with ISS to create a custom voting policy consistent with FI's ESG policies made available to all of its, and its affiliates', clients. FI frequently engages with company management on proxy voting issues.

FI's Proxy Voting Committee oversees the firm's proxy voting and serves as the control point for decisions relating to proxy voting. The members of the Proxy Voting Committee include senior leadership from our Research, Portfolio Management, and Investment Operations groups. The Chief Compliance Officer is a non-voting member.

ESG REPORTING

FI utilizes several ESG data providers such as MSCI ESG Research, Bloomberg, and FactSet that, when combined with our firm's resources, allow for extensive ESG reporting on client portfolios. Reports available to clients include ESG score reporting, impact revenue exposure, carbon footprint reporting, engagement reporting, as well as ESG attribution analyses.

SOURCES OF INFORMATION

Throughout the research process, FI uses various databases and information vendors to aid and augment our proprietary internal ESG research. These sources include MSCI ESG Research (including ESG Ratings, Business Involvement Screening, Controversies & Global Norms, Sustainable Impact Metrics, and Carbon Metrics), Morningstar/Sustainalytics ESG Risk Ratings, Morningstar Sustainability Fund Ratings, Bloomberg, ISS, and FactSet. In combination with such tools and readily available public information from ongoing analysis of holding and portfolio candidates, FI is able to accommodate socially responsible and ESG client-mandated guidelines in separate accounts while adhering to our overall investment strategy.

RESPONSIBLE INVESTMENTS RESOURCES & ONGOING LEARNING

FI has designated one IPC member to oversee responsible investments research and the continuing education of research analysts. In addition, FI has five additional subject matter experts (two dedicated) across the research team. Together, the IPC member and the ESG specialists play a central role in the application of ESG considerations in the following areas: Investment research, guideline implementation and portfolio compliance.

As part of the research process, the specialists are responsible for monitoring ESG trends and briefing FI's broader IPC when appropriate. The specialists work with data providers to help ensure quality and comprehensive data is available for decision-making and the consistent application of ongoing ESG analysis for individual securities. These specialists are responsible for training analysts and other employees on ESG issues. Periodic ESG training sessions are held for our Analysts, Relationship Managers and Associates.

The ESG Specialists also serve as the liaison between our Research teams and the Institutional Relationship Managers. In addition, they help create ESG specific deliverables for our clients and prospective clients and provide clarity on how ESG decisions are integrated into our investment process.

FI's formal Responsible Investments (RI) committee develops and reviews our ESG policies and keeps abreast of ESG industry developments. The RI committee meets regularly and consists of leadership from our Portfolio Management Group as well as our Institutional Client Services and Institutional Sales Teams, with the intention of making FI a market leader in ESG investing.

We strongly encourage other asset management industry participants interested in responsible investing to become a PRI signatory (<https://www.unpri.org/about/becoming-a-signatory>).

FI has an in-house team handling client-reporting requirements. FI can generally provide reporting on ESG aspects as part of the firm's standard reporting, and is pleased to customize reporting as requested. FI's latest Responsible Investment Transparency Report is publicly available on the PRI website (<https://www.unpri.org/signatory-directory/fisher-investments/1213.article>).

APPENDIX 1 - SAMPLE OF ESG RESTRICTIONS/GUIDELINES

FI is able to place restrictions in the following categories through negative screens for separately managed accounts using MSCI ESG Research and other data sources:

SAMPLING OF OPTIONAL MECHANICAL SCREENS			
DEFENSE AND WEAPONS	BUSINESS ACTIVITIES	GLOBAL SANCTIONS	GLOBAL NORMS AND CONVENTIONS
<ul style="list-style-type: none">• Biological/chemical***• Conventional*• Depleted uranium weapons production• Nuclear***• Cluster munitions (any ties)• Civilian firearms• Landmines (any ties)	<ul style="list-style-type: none">• Adult entertainment*• Alcohol/gambling/tobacco*• Child labor controversy• Genetic engineering*• Animal welfare• Thermal coal• Extraction & power generation**	<ul style="list-style-type: none">• US Office of Foreign Asset Control (OFAC)• EU sanctioned entities• Canada's Special Economic Measures Act (SEMA)• Australian Department of Foreign Affairs and Trade (DFAT)	<ul style="list-style-type: none">• UN Global Compact• The Norwegian Global Pension Fund restriction list• ILO Core Conventions

* Maximum 5% of revenue.
** Companies that derive more than 30% of revenue or power generation.
*** Maximum 0% of revenue.

Fisher Investments Japan Disclosures

This commentary constitutes the general views of Fisher Investments Japan and Fisher Investments and should not be regarded as personalized investment advice.

Fisher Investments Japan (FIJ) is a branch of Fisher Investments Japan Limited and is registered as a Financial Instruments Business Operator with the Japan Financial Services Agency. FIJ provides discretionary investment management service to clients in Japan.

FIJ delegates a portion of the investment management function to its parent company, Fisher Asset Management, LLC, conducting business under the name Fisher Investments (FI), or invests client's assets into the fund that is managed by FI upon an agreement with the client. FI is registered as an investment adviser with the United States Securities and Exchange Commission.

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Investment in securities involves the risk of loss. Past performance is no guarantee of the future returns and no representation is made that results similar to those shown can be achieved. Investment results will fluctuate. No assurance can be given that the investment objectives of any investment strategy will be achieved.

Investments in equity markets may experience significant volatility. Investments may be significantly and adversely affected by general economic and market conditions, such as economic uncertainty, interest rates, inflation rates, availability of credit, changes in laws, and political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of investments. Some investments may be difficult to buy or sell, which may affect the price at which the investments can be sold. Changes in exchange rates between currencies or conversion rates may cause the value of investments to diminish. Investments in smaller or medium-sized companies may be more susceptible to market conditions and there may be greater price volatility. Investments in developing or emerging markets carry higher than average investment risks, including less social, political and economic stability, smaller securities markets and lower trading volume, which may result in less liquidity and greater price volatility, and less developed legal structures. Risk factors may occur simultaneously and/or may compound each other.

This material may contain a fee schedule, which is a sample of our standard fee schedule. The actual management fee will be set out in the client agreement based on the selected investment strategy and size of the mandate, along with the applicable consumption tax.

Fisher Investments Japan (FIJ)

Financial Instruments Business Operator

Director-General of Kanto Local Finance Bureau (Financial Instruments Firm) No. 2766

Member of Japan Investment Advisers Association

