

Responsible Investment Policy Statement

Our Approach

At Principal Global Fixed Income, our commitment to Responsible Investing revolves around one key factor — our fiduciary responsibility to our clients. Acting in their long-term best interests comes first and foremost. Our approach to Responsible Investing is at all times driven by that priority.

Our Commitment

Given our organization's long-standing commitment to corporate stewardship, we view the UNPRI as a natural progression in the development of our business. For this reason, Principal Global Investors has been a signatory to Principles for Responsible Investment ("PRI") since 2010, highlighting the firm's dedication to Environmental Social and Governance ("ESG") issues.

The Principles for Responsible Investing are based on the premise that ESG issues can impact the performance of investment portfolios and investors should give them appropriate consideration to fulfill their fiduciary duty. In signing the principles, Principal Global Investors publicly commits, where consistent with our fiduciary responsibilities, to the following:

- **To incorporate** ESG issues into our investment analysis and decision-making processes
- **To be active owners** and incorporate ESG issues into our ownership policies and practices
- **To seek** appropriate disclosure on ESG issues from the entities we invest in
- **To promote** acceptance and implementation of the principles within the investment industry
- **To work** with other signatories to enhance effectiveness in implementing the principles
- **To report** on our activities and progress towards implementing the principles

As a fiduciary for our clients, we welcome the broader investment prism that the Principles represent. Furthermore, we value the voice that our status as a UNPRI signatory gives us in defining and shaping the ESG discussion, the development of best practices, and ultimately the potential to enhance the risk-adjusted returns we deliver to clients.

Engagement Policy

For investment securities, the consideration of ESG issues currently takes place within our investment process as part of the fundamental research driving security selection. Our analysts are best placed to determine the importance of such factors in relation to a specific security or sector. The analysts provide the essential insights into industry trends and company-specific considerations integrating ESG factors into their final investment thesis. These insights and considerations have always been crucial to the evaluation of sustainable competitive advantages and risks at a company-specific and industry level.

PGFI has implemented this policy with the premise that portfolio management personnel base their determinations of whether to invest in a particular company on a variety of factors, which may include ESG factors however this will not supersede the primary considerations of risk and return, consistent with our fiduciary obligations. As such, this policy is designed to guide Engagement and not necessarily in making investment decisions.

We believe that we must take responsibility for educating others and ourselves by addressing a range of ESG issues that are critical to the wellbeing of our community and society and may maximize stakeholder value.

As a result, PGFI commits to:

- **Engage and collaborate** with the companies we invest in to encourage responsible ESG practices by the company when aligned with of our investment thesis of the company.
- **Encourage greater transparency** by the companies on their ESG practices.
- **Encourage companies** to manage risks related to ESG factors and react swiftly to achieve a competitive advantage relative to peers regarding remuneration, boards/directors, audit issues, regulations, litigations and other market factors that could impact a company.
- **Encourage companies** to disclose through public reporting relevant ESG metrics and how it may fit into the company's overall business activities considering such importance will vary significantly depending upon industry and geography.
- **Seek out ESG research** that will further our overall knowledge on a company.
- **Keep records or notes** on relevant engagement activities.

Disclosures

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