

Active Ownership Policy

Background

For more than 60 years, American Century Investments® has focused on serving the best interests of clients worldwide and on delivering superior risk-adjusted performance through active management. The firm manages a broad range of global investment solutions. All investment disciplines follow distinct philosophies and processes designed for the markets in which they invest.

Active Ownership

As long-term investors, actively engaging with our investee companies as stewards as well as voting shares in the best interest of clients are integral components of our investment process and our commitment to serving clients.

ESG Engagement

Objectives

Engagement constitutes an integral part of our fundamental research process, and we seek to forge constructive dialogues with our investee companies in order to make better informed long-term investment decisions on behalf of clients.

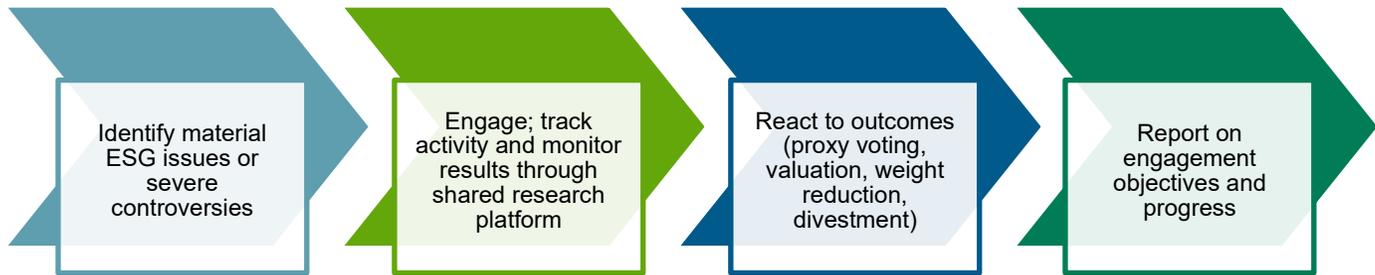
The primary objectives for engaging are to:

- Gain a more thorough understanding of a company's approach to ESG risk or opportunity management, including controversies and associated remedial action, and
- Encourage a company's increased transparency around material ESG issues

Process

Meeting with company management is an important part of our research process and provides the opportunity for the ESG and Investment Stewardship team (ESG team) and investment teams to engage and establish a dialogue on any material issues that could affect a company's long-term prospects. Our engagement protocol is managed by the ESG team in close collaboration with investment teams. Engagement practices may include in-person meetings, conference calls, written communications and industry forums.

Our four-step ESG engagement process is founded on our ESG integration framework. The process begins with the ESG team identifying material ESG issues to which the investee companies are exposed. The identification of ESG issues on which we engage is conducted on a monthly basis and is informed by proprietary ESG research. It can vary between geographic regions, sector dynamics and issuer-level materiality assessment. For severe ESG controversies, engagement is automatically triggered through ongoing portfolio monitoring. Next, the ESG team initiates dialogue with company management in close collaboration with portfolio managers and investment analysts. They request meetings with a wide range of corporate management, including executives, treasurers and senior technical staff, where appropriate. After engaging, the ESG team produces ESG engagement reports, which are shared on a firm-wide investment research platform. These reports help our investment teams track engagement activity and monitor company progress. Subject to time horizon and financial materiality assessment, investment teams consider the outcomes of engagement when evaluating investment decisions. The process culminates with client reporting on a quarterly and annual basis.



Outcomes and Escalation Mechanism

For engagement outcomes, our protocol includes an escalation mechanism. Should investee companies fail to adequately address the ESG issues under a reasonable timeframe or, if fundamentals do not properly compensate us for exposure to these issues, portfolio managers are advised to react by means of risk-adjusting valuation, supporting proxy resolutions, decreasing portfolio weight or divesting from a given company. The timeframe for escalation will depend on the materiality level of the ESG issues, investment time horizon and objectives.

Examples of ESG Engagement Issues

Engagement is focused on material ESG-related issues that we believe could potentially impact the financial condition of an investee company. Subject to materiality assessment and investment strategy particulars and objectives, we engage on more than 20 key ESG issues including:

- Pay for performance alignment
- Biodiversity loss
- Severe ESG controversies
- Climate change, including stranded assets
- Diversity, equity and inclusion
- Shareholder rights
- Product quality and safety
- U.N. Sustainable Development Goal alignment
- Anti-bribery and corruption
- Data privacy and security
- Accounting transparency
- Labor practices and supply chain management, including modern slavery

Tracking and Reporting

We maintain an audit trail of company dialogues by recording engagement activities in our investment research platform, enabling us to monitor the progress of engagement activities, set priorities for future engagements, and share insights across portfolio management teams, investment analysts, and the ESG team. Accessible to all investment teams, this shared platform facilitates collaborative efforts across the investment decision-making process with increased transparency around our engagement process and reporting efforts.

We partner with clients who have specific engagement objectives to develop custom portfolios and reporting designed to meet their needs.

ESG Proxy Voting

Voting Guidelines

Pursuant to American Century's proxy voting policies, we ordinarily seek to be supportive of management on proxy matters including those related to ESG. When opposing management on a specific ESG-focused resolution, the ESG Proxy team will generally recommend support for well-targeted ESG proposals if they believe that there is a rational linkage between a proposal, its economic impact, and its potential to maximize long-term shareholder value.

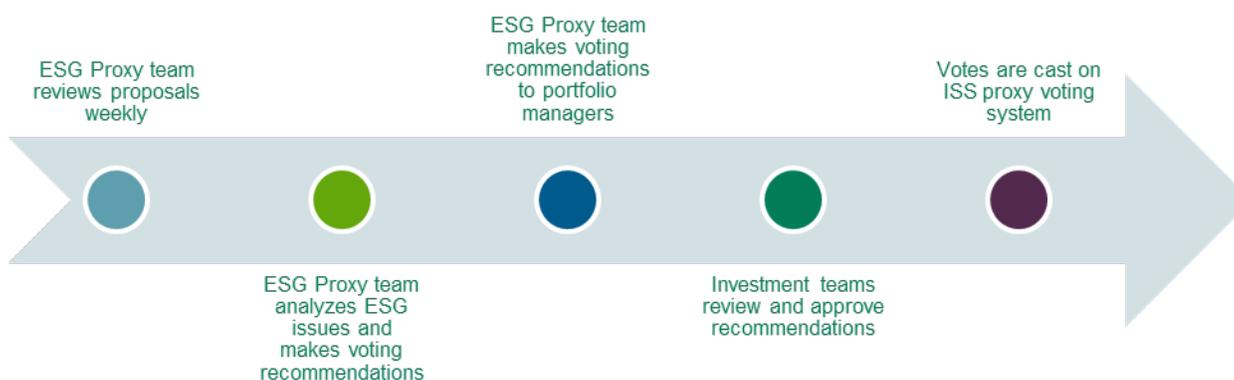
Our ESG proxy guidelines apply across all our portfolio holdings. We also employ Institutional Shareholder Services (ISS) to provide proxy voting reports. Although we acknowledge the proxy adviser's voting recommendations, we neither delegate nor outsource our proxy voting activities, nor do we follow or rely upon their recommendations when deciding how to vote client shares.

Our proxy voting policy further addresses potential conflicts of interest, including voting guidelines in relation to companies where the firm has a direct business relationship or when American Century funds would own shares in another firm-managed fund.

Additional details on our proxy voting policies, including how conflicts of interest are addressed, are available [here](#).

Process

Weekly, the ESG Proxy team reviews, on a case-by-case basis, the financial materiality and potential risks or economic impact of the ESG issues underpinning proxy proposals and makes voting recommendations based thereon. The portfolio management teams then review the recommendations and can either approve or reject the ESG Proxy team's recommendations. To reject a recommendation, a request is made to the ESG Proxy team and a dialogue is established to reach consensus on the appropriate course of action. Votes are cast on the ISS proxy voting system.



Examples of ESG Proxy Issues

Voting ESG resolutions is focused on material ESG-related issues that we believe can affect long-term shareholder value. ESG issues can also be identified as part of the engagement escalation mechanism. Subject to varying geographic context and idiosyncratic factors, where appropriate, we vote on approximately 50 key ESG issues including:

- Board independence
- Director entrenchment
- Director overboarding
- Environmental risk management, including climate change
- Anti-bribery and corruption
- Diversity, equity and inclusion
- Shareholder rights
- Labor practices and supply chain management
- Product safety and quality
- Executive compensation
- Human rights
- Whistleblower policies

Tracking and Reporting

Each resolution we vote on based on ESG recommendations is noted in the ISS platform, which allows us to track and report voting results by issue or region. Additionally, for clients invested in segregated accounts that have specific voting requirements or objectives, we partner with them to provide portfolio-specific proxy voting per ESG topic in their fund reports. Proxy voting results are made publicly available on our [website](#).

Collaborative Initiatives

As part of our commitment to active ownership, we selectively participate in collaborative industry initiatives that further promote the advocacy of transparency, engagement and ESG investing.

- American Century is a signatory to the **United Nations Principles of Responsible Investing (UNPRI)**. The PRI is the world's leading proponent of responsible investing and works to understand the investment implications of environmental, social and governance (ESG) factors and support its international network of investor signatories as they incorporate these factors into investment decisions. By signing the Principles for Responsible Investment, we publicly demonstrate our commitment to including ESG factors into investment decisions and asset ownership.
- The firm is a member of **Investor Stewardship Group (ISG)**, an investor-led effort that includes some of the largest U.S.-based institutional investors and global asset managers, along with several of their international counterparts. The ISG was formed as a sustained initiative to establish a framework of basic investment stewardship and corporate governance standards for U.S. institutional investor and boardroom conduct. As a signatory to the ISG, we commit to the six stewardship principles for institutional investors as outlined by the ISG framework.
- American Century is an Influencer with **Pensions for Purpose**, a UK-based global collaborative initiative of impact managers, pension funds, social enterprises and others with the aim of promoting the understanding of impact investment.
- The firm is a member of **NordSIP**. The Nordic Sustainable Investing Platform is dedicated to news about sustainable and impact investment strategies for professional investors in the Nordics.

Contact us to learn more about these other organizations we support. We are also happy to collaborate with clients and other institutional investors on specific engagement topics or issues.

Please visit to learn more about [American Century's approach to ESG investing](#).

A strategy or emphasis on environmental, social and governance factors (“ESG”) may limit the investment opportunities available to a portfolio. Therefore, the portfolio may underperform or perform differently than other portfolios that do not have an ESG investment focus. A portfolio’s ESG investment focus may also result in the portfolio investing in securities or industry sectors that perform differently or maintain a different risk profile than the market generally or compared to underlying holdings that are not screened for ESG standards.

Diversification does not assure a profit nor does it protect against loss of principal.

The opinions expressed are those of American Century Investments and are no guarantee of the future performance of any American Century Investments portfolio. The information is not intended as a personalized recommendation or fiduciary advice and should not be relied upon for investment, accounting, legal or tax advice.

*American Century Investment Management (UK) Limited is registered in England and Wales. Registered number: 06520426.
Registered office: 12 Henrietta Street, 4th Floor, London, WC2E 8LH*

American Century Investment Management (Asia Pacific), Limited currently holds Type 1 and Type 4 registrations from the Securities and Futures Commission (“SFC”). American Century Investment Management, Inc. is not registered with the SFC.

American Century Investment Management, Inc. is exempt from the requirement to hold an Australian financial services license under the Corporations Act in respect of the financial services it will provide and it is regulated by the SEC under US laws which differ from Australian laws.

American Century Investment Management, Inc. is authorized by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)).