

Kabouter Management Declaration of Acceptance of the Japanese Stewardship Code

Kabouter Management, LLC (“Kabouter”) hereby states that it accepts the Japanese Stewardship Code that was revised in June 2025 (the “Code”)¹.

Kabouter is an asset management company that seeks to invest in underappreciated international companies in sustainable secular growth industries. Kabouter believes in the principles set forth by the Code and its operating practices already incorporate the tenets of the Code, as disclosed below.²

Kabouter updates the disclosure items in accordance with the principles of the Code, including recognition of the Financial Services Agency (“FSA”) updated guidance on and shift away from procedural compliance to substantive engagement with the goal of making stewardship more effective.

[Principle 1] Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities and publicly disclose it.

Kabouter engages with the senior management of investee companies directly and generally seeks to fulfill its stewardship responsibilities in the following ways:

- Integrate environmental, social, and corporate governance (ESG) in the investment sourcing process.
- Recommend improvements to governance practices, including investor relations.
- Offer strategy and transaction recommendations.
- Promote ESG disclosure and sustainable business practices.
- Promote improved corporate governance and transparency.
- Exercise voting rights.

[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.

Kabouter acknowledges that conflicts of interest may arise in the context of our corporate governance and corporate responsibility work. Kabouter understands the risks associated with conflicts of interest and has established internal control systems to minimize these risks. Kabouter has (i) a code of ethics, which establishes standards and procedures for the detection and prevention of certain conflicts of interest, and (ii) written proxy voting policies and procedures to help satisfy its duties relating to proxy voting. In addition, Kabouter has

established risk committees to identify and mitigate various risks and conflicts in the business. The Chief Compliance Officer will assess and address conflicts of interest and will seek to resolve any risks identified in the best interest of Kabouter's clients. With respect to proxy voting, a conflict of interest may exist, for example, if Kabouter has a business relationship with (or is actively soliciting business from) either the company soliciting the proxy or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Any Kabouter employee with knowledge of a potential personal conflict of interest (e.g., familial relationship with company management) relating to a particular proposal shall disclose that potential conflict to the Chief Compliance Officer and remove himself or herself from the proxy voting process. As Kabouter utilizes the services of Institutional Shareholder Services Inc. ("ISS") as an independent third-party proxy voting service provider, it generally will be the case that voting proxies in accordance with the recommendations of ISS will significantly mitigate the risk of a conflict of interest. Some additional examples in which potential conflicts may exist include instances where Kabouter also manages the issuer's pension plan or if an employee or a close relative of an employee has a significant personal or business relationship with an issuer or an individual director (or directorship candidate), officer (or candidate for corporate office) or proxy contest participant. If a conflict of interest arises, Kabouter will either rely solely on (and vote in accordance with) the recommendations of ISS, as referenced above; OR prepare a report that (1) describes the conflict of interest; (2) discusses procedures used to address such conflict of interest; (3) discloses any contacts from outside parties (other than routine communications from proxy solicitors) regarding the proposal; and (4) confirms that the recommendation was made solely on the merits and without regard to any other consideration. Kabouter will retain a copy of such report.

[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.

When evaluating companies, Kabouter considers the company's governance, strategy, performance, capital structure, business risks and opportunities and how the company addresses them. Kabouter may monitor its investee companies through meetings with senior management, market performance, earnings reports, investor relations updates, analyst coverage, investor presentations, news flow, and in-house research and analysis. When communicating with the investee companies' senior management, Kabouter may offer advice, recommendations, and contacts for business development and to inform of best practices with an aim toward the sustainable growth of the companies.

Kabouter generally encourages reporting on ESG metrics by companies to investors and data providers. Kabouter may audit the quality of disclosure both by the reporting company and by the data aggregators, recommending corrections where appropriate. Kabouter believes that measuring and monitoring these metrics may create long term value for the company.

[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.

Kabouter is an active manager and attempts to understand the investee company's management strategy and vision. It is not generally Kabouter's aim to invest in companies that require operational guidance but rather to invest in companies that it believes have strong underlying businesses without the appropriate market recognition for the quality of the underlying earnings. Kabouter considers the strategy of the management team and may offer advice and resources for its execution, with the ultimate goal of generating long-term capital growth for the company and its investors. Kabouter may also engage with company management in collaboration with other institutional investors (collective engagement).

[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 the sustainable growth of investee companies.

As stated in Kabouter's Proxy Voting Policy and Procedures, proxy voting decisions at Kabouter are made in the best interests of Kabouter's clients. Kabouter will seek to vote proxies in the best interests of the applicable client, while managing environmental, social, and governance (ESG) risks. If a client directs Kabouter to vote a proxy in a particular way, Kabouter will vote the proxy in accordance with the client's directions.

Kabouter discloses voting activity on an individual agenda item basis when requested by clients or to the extent required by any applicable regulatory authority. Kabouter does not publicly disclose its voting activities (either individually or in the aggregate) because it considers such information to be sensitive. In general, Kabouter works hard to create and preserve productive relationships with company management teams over its long holding period. Therefore, Kabouter's preference is to not publicly criticize portfolio companies but rather to privately engage with management teams and the board to drive improvements in environmental, social, and governance practices behind the scenes. In our experience, such an approach has had a greater impact, especially in the international small cap asset class where we operate.

[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.

Through quarterly newsletters and investor presentations, Kabouter communicates to its clients and beneficiaries how it fulfills its stewardship responsibilities.

[Principle 7] To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.

Kabouter is an asset management firm that applies fundamental bottom-up analysis to select and manage its investments. Kabouter's analytical examination of companies encompasses the environment in which they operate. Kabouter recognizes its role in carrying out stewardship activities and believes it has the necessary background, resources, processes, people and systems to be able to perform these functions.

Kabouter maintains knowledge of the companies it invests in, and in their ongoing developments. Additionally, it has access to resources, including judicial interpretations, which enable it to make informed decisions on complex issues and proxy voting matters, if they arise. Kabouter continuously seeks improvement and commits to annually self-evaluating its implementation of each principle and to update this public declaration as necessary.

[Principle 8] Service providers for institutional investors should endeavor to contribute to the enhancement of the functions of the entire investment chain by appropriately providing services for institutional investors to fulfill their stewardship responsibilities.

Kabouter leverages a globally well-established proxy adviser, Institutional Shareholder Services ("ISS"), who has a presence in Japan, has procedures in place to avoid conflicts of interest, and is actively involved in Japan's governance and stewardship initiatives. Further, Kabouter requires that each of its material nonaffiliated third-party service providers, including proxy advisors and investment consultants, if any, with access to non-public information of Kabouter's clients and investors, maintain policies and procedures designed to assure only appropriate access to information about Kabouter's clients; implement a program of security measures for the protection and confidential treatment of such non-public personal information; limit the use of information about its clients to the purposes for which the information was disclosed, or as otherwise permitted by law; to maintain physical, electronic, and procedural safeguards that comply with federal standards to guard non-public personal information about our clients; use secure methods of transmission of the non-public personal information data; and delete or destroy such non-public personal information after the service provider has completed the function for which the information was needed.

¹ <https://www.fsa.go.jp/en/refer/councils/stewardship/20250626/01.pdf>

² <https://www.fsa.go.jp/en/refer/councils/stewardship/20250626.html>