UK Stewardship Code

This statement is issued by PIMCO Europe Ltd ("PEL"), a company incorporated under the laws of England and Wales, which is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom.

At PIMCO we seek to enrich and preserve assets and provide high quality investment management service on behalf of our clients.

We support the UK Stewardship Code and the principles of good stewardship that are set out in the Code. Detailed below is an overview on how we comply with the Principles of The UK Stewardship Code.

Principle 1 – Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities

As a fiduciary asset manager we have a duty to act in the best interests of our clients and seek to protect and enhance the economic value of companies in which we invest on our client's behalf.

Key elements in our stewardship process are set out in this statement including the activities we undertake to meet the UK Stewardship Principles.

While the UK Stewardship Code, and our response here, applies to investment in UK equities, the same investment approach may be applied at PEL for non-UK equities as well.
However, our equity business comprises of a number of different investment teams and strategies, whose approaches may differ.
Engagement with UK companies on matters such as strategy, performance and corporate governance are inherent in our investment process. We typically have a long term investment horizon and engage with companies prior to and throughout the period of investment with them.

Principle 2 - Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed

PEL is an asset management group positioned within the Allianz S.E. group, responsible for managing the investments of a large number of clients. Potential conflicts of interest may arise in a number of areas. In line with applicable regulatory requirements, we have a Conflicts of Interest Policy which sets out the circumstances which may constitute actual or potential conflicts of interest and the measures adopted by PEL to manage such conflicts.

In managing different client accounts, whose interests may diverge from each other, portfolio managers will consider a number of factors, including each account's investment objectives and restrictions and guidelines, to ensure the best interests of each client are met.

In addition, PIMCO's Proxy voting policy outlines how we comply with our fiduciary obligations, with respect to accounts for which PIMCO has discretionary voting authority. In relation to its equities business, PIMCO has selected an unaffiliated third-party proxy research and voting service to assist it in researching and voting proxies.

PIMCO has a fiduciary obligation to vote all client proxies in good faith and in the best interests of each client. If a material conflict of interest should arise, PIMCO will seek to resolve such conflict in the client's best interest, pursuing any one of several courses of action, such as convening a "Proxy Conflicts Committee" or designating a Portfolio Manager, not subject to the conflict, to vote the proxy. PIMCO will document the process of resolving any identified material conflict of interest.

Principle 3 – Institutional investors should monitor their investee companies

As a long-term investor, PEL engages in active dialogue with the management of the UK companies in which we invest on behalf of our clients. Our analysts and portfolio managers monitor companies on an on-going basis throughout the period of investment and consider each company's corporate governance practices, performance, leadership, strategy and other factors, as part of their fundamental research process.

If there are concerns, portfolio managers and/or analysts may seek to make the company aware of such concerns by speaking to the company's Board or Management, or through voting at AGM/EGM.

As a general matter, PEL would not expect that companies we invest in, and their advisers, to provide us with information that could affect our ability to deal in the shares of the company, without our prior agreement.

Principle 4 – Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value

PEL's analysts and portfolio managers will actively engage with management on corporate governance or other issues as part of their fundamental research process in order to ensure that, as an active manager with fiduciary obligations, we act in the best interests of clients.
In certain situations, where appropriate, we may escalate these discussions to representatives of the company's boards, for example if there are concerns about a company's governance, performance or strategy and when we believe escalation is necessary to enhance and protect our clients' interests. In addition, PIMCO's proxy voting policy and procedures state that as a general matter PIMCO has a fiduciary obligation to vote all client proxies in good faith and in the best interests of the client.

Principle 5 – Institutional investors should be willing to act collectively with other investors where appropriate

If we consider it is appropriate and in the best interests of our clients we may be prepared to act collectively with other investors, or potentially through proxy solicitation, if we believe it is likely to enhance our ability to engage with a company, and provided it is permitted by law and regulation.

Principle 6 – Institutional investors should have a clear policy on voting and disclosure of voting activity

PIMCO has a Proxy Voting Policy and Procedures outlining our policy approach to voting.

With respect to the voting of proxies relating to equity securities, PIMCO has selected an unaffiliated third party proxy research and voting service ("Proxy Voting Service"), to assist it in researching and voting proxies. With respect to each proxy received, the Proxy Voting Service researches the financial implications of the proposals and provides a recommendation to PIMCO as to how to vote on each proposal based on the Proxy Voting Service's research of the individual facts and circumstances and the Proxy Voting Service's application of its research findings to a set of guidelines that have been approved by PIMCO. Upon the recommendation of the applicable portfolio managers, PIMCO may determine to override any recommendation made by the Proxy Voting Service. In the event that the Proxy Voting Service does not provide a recommendation with respect to a proposal, PIMCO may determine to vote on the proposals directly.

PIMCO may determine not to vote a proxy for an equity if: (1) the effect on the applicable account's economic interests or the value of the portfolio holding is insignificant in relation to the account's portfolio; (2) the cost of voting the proxy outweighs the possible benefit to the applicable account, including, without limitation, situations where a jurisdiction imposes share blocking restrictions which may affect the ability of the portfolio managers to effect trades in the related security; or (3) PIMCO otherwise has determined that it is consistent with its fiduciary obligations not to vote the proxy. PEL does not currently engage in stock lending practices.

Unless required by law or otherwise approved by PIMCO, as a matter of policy PIMCO will only disclose to its clients - or other authorised persons - how we voted on their accounts.

<u>Principle 7 – Institutional investors should report periodically on their stewardship and voting activities</u>

We intend to update this information if significant changes or developments in our approach occur. PEL's response to the UK Stewardship Code is available on our website and is reviewed annually, and updated more frequently if there are significant changes in our practices.

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