



Public Disclosure of Policies Based on the Japan Stewardship Code

As of November 27, 2017, GAMCO Investors, Inc. (hereafter “Gabelli”) discloses our updated policies based on the revised “Japan Stewardship Code” (hereafter “The Code”), which was published by the Financial Services Agency in May 2017.

Gabelli agrees that the ‘stewardship responsibilities’ are an important contribution to good corporate governance and that the Code is a definitive statement of best practices on investment managers’ engagement with portfolio companies. Gabelli therefore endorses the principles of the Stewardship Code in Japan, and is fully committed to them as they intend to protect the integrity of clients’ assets and enhance long term value for all shareholders.

Principle 1

Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.

Gabelli is an independent investment management institution that globally provides asset management services. In order to fulfill stewardship responsibilities as an institutional investor, Gabelli regularly communicates with portfolio companies. Gabelli seeks long term investments for client portfolios based on its knowledge of the portfolio companies and the business environment that they operate within. Gabelli regularly engages in constructive dialog with management of portfolio companies to enhance shareholder’s value on sustainable growth.

Gabelli has been in business since 1977 and seeks to manage a portion of a client’s assets (hereafter collectively referred to as "clients") through its proprietary investment method called "Private Market Value with a Catalyst™". This method is an active investment method focused on bottom-up fundamental analysis. For better understanding and in-depth knowledge on the portfolio companies, research analysts have a constant dialog with companies. Through such research activities, Gabelli strives to seek sustainable growth in the long term, which create corporate value as well as enhances shareholder value. Gabelli believes that such an investment style has high affinity with the spirit of the Japanese version of stewardship code. In addition, although this Stewardship code is intended for institutional investors who invest in listed companies in Japan, the principles of the stewardship code are aligned with the values of Gabelli’s investment management team.

In addition, Gabelli has published "Corporate Governance Guidelines". In October 2016, Gabelli agreed with the basic idea of United Nations Responsible Investment Principles (UN PRI) and signed it.

[Corporate Governance Guidelines: http://www.gabelli.com/corporate/corpgov_guide.pdf]

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.

In consideration of stewardship responsibility, Gabelli acts by considering the client's profit first. Gabelli has established and published a "Code of Business Conduct" which is a comprehensive ethical code focused on fulfilling these obligations. All the executives and employees of the group are required to comply with these regulations. In this Code, Gabelli clearly has a policy concerning conflicts of interest that may occur. The Code also applies to conflicts of interests that are required to be managed fulfilling our stewardship responsibility. We strive to prevent conflicts of interest. We also strive to recognize, evaluate, manage, monitor and record all conflicts of interest.

[Code of Business Conduct: http://www.gabelli.com/corporate/code_conduct.pdf]

In the case that Gabelli is entrusted with the exercise of voting rights and there is concern about conflicts of interest, Gabelli has a structure in place that allows an independent Proxy Voting Committee to vote those shares. Votes are always cast with the interests of the client first based on an established set of guidelines. Where concerns exist regarding a conflict of interest between Gabelli and the client, Gabelli has the ability to consult with outside resources including legal counsel. Gabelli, "Proxy Voting Policies and Procedures" sets for these procedures in more detail (see Principle 5).

Gabelli's management team recognizes that it plays an important role and responsibility for strengthening governance and conflicts of interest. In addition to appropriately managing conflicts of interest, we will continue to work on issues gained through periodic qualitative evaluation.

Principle 3

Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities and support the sustainable growth of the companies.

Private Market Value (PMV) with a Catalyst™, is Gabelli's proprietary investment process. PMV is defined as "the informed price an industrial buyer would pay for the entire business in a privately negotiated transaction". Gabelli looks for businesses with a catalyst to unlock the difference between the calculated intrinsic value and the market price. We will analyze intrinsic value of a company from the point of view of a business owner looking for factors that may materialize to unlock value. Comprehensive ongoing research and monitoring of portfolio companies and their industries are fundamental to the investment process. The investment process also includes an ongoing analysis of non-financial information (ESG, Environment, Social and Governance etc.) such as management strategy, social responsibility, and risks. We obtain this information through all public information, disclosure materials, company visits, and general shareholders' meetings, etc.

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.

As part of Gabelli's investment strategy and its process, we will make an effort to establish a long-term constructive relationship and may seek a purposeful dialog (engagement) with investee company management. We will invest in companies that aim to build their business to maximize future corporate value with a defined strategy. When the deviation range (wider margin of safety) between the intrinsic value (PMV) calculated by bottom-up research and the market value is large, based on the public information, we scrutinize the intrinsic value through a dialogue with the manager on the management environment of the company and its place within their industry position peer group. Gabelli will invest in the companies if we believe that the margin of safety will narrow. The voting of shares in portfolio companies are determined by examining the subject matter of the proposal with Gabelli's voting guidelines. Our investment management team, which is mostly independent from the voting rights exercise department, can provide opinions to the voting rights exercise department if necessary.

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 sustainable growth of investee companies.

In Gabelli, the exercise of voting rights is an important means of enhancing shareholder value. In order to fulfill this fiduciary responsibility duty, we will properly exercise the voting rights of all stocks we own. The responsibility for determining how Gabelli votes on a particular proposal is to maximize shareholders value. Gabelli publishes a "Proxy Voting Policies and Procedures", which sets forth the Proxy Voting Committee, voting guidelines, voting process, management of conflict of interest and recordkeeping. Proxy voting is based on this guidelines, in addition, advice from third party as well as investment team. Where concerns exist regarding a conflict of interest between Gabelli and the client, Gabelli has the ability to consult with outside resources including legal counsel. The Proxy Voting Committee determines and executes voting rights.

[Proxy Voting Policies and Procedures: <http://www.gabelli.com/corporate/proxy.html>]

Among the Gabelli Group, Gabelli Funds, LLC is engaged in the management of US investment trusts. The company publicly discloses to the US Securities and Exchange Commission (SEC) and the general public through Form PX the way in which it exercised its vote for each US investment trust. Therefore, when the investee company is a listed company in Japan, the way in which a vote was exercised by individual agenda are disclosed. Please refer to SEC's information disclosure system EDGAR for specific exercise results.

[<https://www.sec.gov/edgar/searchedgar/n-px.htm>]

In addition, Gabelli also conducts investment management based on individual contracts with clients. Regarding disclosure of the status of the exercised voting rights relating to Japanese companies, we will follow its disclosure policy based on the condition of the individual contract with our clients.

In addition, Gabelli regularly publishes the summary results for each major type of proposal regarding the status of the exercise of voting rights relating to listed stocks in Japan.

[\[http://www.gabelli.com/corporate/Japan/VotingResults_2016.pdf\]](http://www.gabelli.com/corporate/Japan/VotingResults_2016.pdf)

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.

Gabelli has a fiduciary duty for all of our client assets under management. We publish corporate governance items through annual reports and client reports on the process of stewardship activities. We also hold an annual client meeting to promote understanding of Gabelli to our clients. For improving a long-term shareholder value creation, since 1990, Gabelli has been providing awards on the "Hall of Fame (honorable prize)" to honor company management that maximized shareholder value. Through daily research activities including dialogue with portfolio companies, Gabelli independently evaluates the companies in determining inductees into the Hall of Fame.

Regarding the status of the exercise of shareholder's voting rights for the listed shares in Japan, based on the actual circumstances of each entity, the Gabelli Group discloses details of each vote by agenda. Gabelli discloses the aggregated voting results based on each category of agendas. For more details, please refer to the principle 5.

Principle 7

To contribute positively to the sustainable growth of investee companies, institutional investors should have in-depth knowledge on the investee companies and their business environment and capabilities to appropriately engage with the companies and make proper judgments in fulfilling their stewardship activities.

Gabelli understands the Japanese stewardship principles as institutional investors and endeavors to execute in fulfilling its fiduciary responsibility. For that purpose, we will strive to deepen our knowledge of the investee companies and industries belonging to and to enhance our professional skills. Our management team will also work on human resource development, and strives to build an organization to execute stewardship activities and generate sustainable growth with portfolio companies.

In order to sustain a system to fulfill stewardship responsibility, our Governance Committee regularly reviews "Corporate Governance and Guidelines" and "Code of Business Conduct", and the Proxy Voting Committee periodically revises the "Proxy Voting Guidelines". Regarding the

implementation status of this code, we will periodically review ourselves and will make an effort to improve this policy from time to time.

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Here is Japanese version of Gabelli policies based on the revised “Japan Stewardship Code”.
http://gabelli.jp/firm/JP_stcode.pdf