

Shareholder Engagement Policy

Under the European Shareholder Rights Directive II, Merrion Investment Managers (“MIM” or “the Managers”) are required to disclose engagement policies describing how the Managers:

1. Integrate shareholder engagement in their investment strategy.
2. Monitor investee companies on matters regarding strategy, financial and non-financial performance and risk, capital structure and ESG (Environmental, Social and Governance).
3. Conduct dialogues with investee companies.
4. Exercise voting rights and other rights attached to shares.
5. Cooperate with other shareholders.
6. Communicate with relevant stakeholders of the investee companies.
7. Manage actual and potential conflicts of interests in relation to their engagement activities.

The following policy sets out how we meet the above requirements and serve the best interest of all marketplace stakeholders. We believe the purchase of shares in a company presents both rights and responsibilities. This policy emphasizes our duty as investment manager to exercise the rights of investors as owners, and our responsibility for the investment decisions we make as part of our discretionary management services.

Integrating Shareholder Engagement in our Investment Strategy

In general, our shareholder engagement activities involve exercising voting rights on behalf of our clients. Direct engagement with a company will be considered where we hold a substantial share interest. The investment team is responsible for continuously monitoring companies in the portfolio. Any material financial or ESG issues that arise in relation to a company we hold will trigger a review of the investment thesis to determine whether the issue has affected our decision to hold the company in the portfolio.

Monitoring Investee Companies on Relevant Matters Including:

- **Strategy**
MIM engages in regular discussions with third party analysts to ensure that we are monitoring not just the strategy of an investee company, but also of other companies in their sector. Our investment analysis includes the long-term outlook for a company and the risks it faces, as well as business strategy and execution, the macroeconomic environment in which the company operates, the valuation placed on the company by the market, and technical analysis of the absolute and relative price action.
- **Financial and Non-Financial Performance and Risk**
Our investment approach is primarily based on fundamental research; we use both internal and external research when considering an investment in a company. We review financial and non-financial information such as annual reports, financial statements, ESG reports, performance indicators and news flows while also attending relevant industry conferences.

- **Capital Structure**
The capital structure of potential investee company as well as current holdings in the portfolio is reviewed and monitored on an ongoing basis.
- **ESG Matters**
MIM are long-term investors and therefore, the consideration of ESG matters is an important factor for the future sustainability of returns. Our long-term experience in the Socially Responsible Investing (SRI) space has provided us with the appropriate skills to assess ESG qualities of companies. We subscribe to third party ESG research which is complemented by the expertise of our inhouse Sustainability and Responsible Investing desk at Cantor Fitzgerald Ireland (“the Group”).

Conducting Dialogues with Investee Companies

In general, MIM will not engage in direct dialogue with investee companies. However, engagement in investee companies will be considered where we hold a substantial share interest.

Exercising Voting Rights and other Rights Attached to Shares

MIM endeavours to vote on all eligible stock at every meeting. We have engaged Institutional Shareholder Services Ltd (ISS), a leading, independent provider of proxy voting advice and administrative services to assist us in this regard. ISS provide voting recommendations to MIM, based on a pre-agreed set of policy guidelines (reviewed annually). We currently use the ISS “Sustainability” voting guidelines, developed specifically to meet the standards consistent with the United Nations Principles for Responsible Investment (UNPRI).

The ISS Sustainability policy approach uses ESG risk indicators to identify ESG risk factors in public companies. These ESG risk indicators cover topics including the environment, human rights and impacts of business activities on local communities, labour rights and supply chain risks, consumer product safety, bribery and corruption, and governance & risk oversight failures.

ISS provides the voting recommendation, though MIM reserve the right to challenge these recommendations when we believe it is in the best interest of clients to do so.

Records and disclosure

ISS is responsible for tracking all our proxies and receives feeds from client custodians. A record of all proxy votes and information relevant to such votes is maintained by ISS and reports on proxy voting activities are available upon request. The reports include a summary of voting activity, with details such as the percentage of all votes where we voted against management, but also lists every ballot voted on including the management recommendation, our voting instruction, and our voting rationale.

Cooperating with Other Shareholders

We may engage with other shareholders where we identify that other investors have similar concerns to us. We are not currently associated with an investor initiative; however, the Group’s Sustainability and Responsible Investor desk continuously reviews this space and could facilitate engagement with investor initiatives when appropriate.

Communicating with Relevant Stakeholders of the Investee Companies

We regularly engage with a wide range of stakeholders, from policymakers in issues of sustainable finance to government stakeholder groups advancing the Sustainable Development Goals (SDGs). Through the Group's Sustainability and Responsible Investing function, we engage with the Sustainable & Responsible Investment Forum (SIF) Ireland, the national platform for policy makers, capital providers and intermediaries to advance the sustainable finance and ESG agenda across all asset classes.

Managing Actual and Potential Conflicts of Interests in Relation to Their Engagement Activities

MIM take all reasonable steps to identify conflicts of interest. We manage any conflict of interest so that it does not create any material risk of damaging the interests of our clients. Conflicts are prevented or managed through internal controls within the Group. The Group's summary policy on conflicts of interest can be accessed at the following [link](#). We review this policy on an annual basis to ensure it remains relevant and up to date.

Review

This policy will be reviewed at least annually.