

Shareholder Engagement Policy

Introduction

Under the European Shareholder Rights Directive II, Cantor Fitzgerald Asset Management Europe ("CFAME" 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 emphasises 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 on a case-by-case basis, and in any event whenever a violation of our norms-based responsible investing criteria occurs. These criteria include companies who adversely impact society or the environment measured by their alignment with Responsible Business Conduct. The core to this framework consists of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the International Labour Organisation (ILO) principles.

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**

CFAME 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**
CFAME 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 team at Cantor Fitzgerald Ireland (“the Group”). We use quantitative and qualitative ESG data from MSCI ESG Research to produce an informed view of a company’s risks and opportunities. We use our own ESG scoring methodology to help us identify companies that are most exposed to severe risks of ESG. Monitoring includes quarterly reviews of ESG metrics, primarily those included in the EU’s Principal Adverse Impacts, as well as our performance against a specific benchmark.

Conducting Dialogues with Investee Companies

We use Institutional Shareholder Services (ISS) ESG’s Norm-Based Engagement solution which allows us to participate in join outreach and dialogue with companies on material sustainability-related themes.

We have implemented a set of minimum safeguard that all companies must meet. Investee companies that are in breach of our norms-based responsible investing criteria in the areas of governance, human rights, the environment, labour rights, and bribery and corruption will enter our engagement programme. Engagement will include reaching out to the company, reviewing the response received, and making a decision of neutrality/divestment based on the adequacy of actions taken by the company to combat the breach in our norms-based responsible investing criteria. Some companies may be quick to respond while others will follow an escalation process. In the latter case, every effort is made to engage with the investor relations team, followed by the executive team and lastly the Board. This process will last up to a year when the feasibility of the engagement is re-evaluated.

ISS ESG’s Norm-Based Engagement is based on in-depth research performed under Norm-Based Research, which identifies corporate controversies resulting in adverse impacts on society or the environment and assesses how companies mitigate and remediate such adverse impacts. The scope covers adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct.

Reporting

A report is produced for each individual company engagement, as well as annual and quarterly progress reports, which are periodically reviewed and communicated internally. Annually, we will publish the outcomes of our engagement activities on our website.

Exercising Voting Rights and other Rights Attached to Shares

CFAME endeavour 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 CFAME, 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 CFAME 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. A summary of our voting activities is also available on the website.

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 team 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 team, 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

CFAME 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.