



RESPONSIBLE INVESTMENT POLICY

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1. INTRODUCTION

1.1 Definitions

ESG: Terminology used in investing that sets specific criteria for assessing how companies address environmental, Social and Governance risks and opportunities.

CFAME: Cantor Fitzgerald Asset Management Europe.

SDGs: Sustainable Development Goals.

SFDR: Sustainable Finance Disclosure Regulation

SRI Team: The Sustainability and Responsible Investing team.

Sustainability: Ability to meet the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainable Development: Economic growth that happens without the depletion of natural resources while meeting human development goals.

Task Force on Climate-Related Financial Disclosures (TCFD): An industry-led task force, established by the FSB, charged with helping to identify information required by investors, lenders, and insurance underwriters to understand material risks in relation to climate change.

The Group/Cantor Group: The Cantor Fitzgerald Ireland Group.

1.2 Overview and Objectives

Cantor Fitzgerald Asset Management Europe (“CFAME”, “the managers”) recognises sustainability as an important tool in determining the long-term capital growth prospects of investment propositions. Environmental, social and governance (ESG) factors are synonymous with better managed companies and are a path to achieving better risk-adjusted returns.

This policy meets the requirements of the SFDR and will periodically be reviewed and updated to support SFDR and other regulations adopted in the development and implementation of the EU Action Plan on Financing Sustainable Growth.

1.3 Scope

This document describes how CFAME integrates sustainability considerations into investment decisions. As sustainability risk evolves over time, CFAME will periodically review and update our sustainability risk policy, procedures, and practices.

2. MAIN BODY

2.1 The Sustainable Development Goals (SDGs)

We use the guidance of the SDGs in many of our processes to understand the interconnected challenges of sustainable development and the urgency behind each goal. The SDGs are a collection of 17 interlinked global goals agreed as an international framework of reference that addresses the most pressing challenges of sustainable development. The SDGs were agreed in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.



2.2 Policy Governance

Compliance with this policy is reviewed annually via internal reporting, monitoring, and stakeholder engagement. The outcomes of this review are presented to the board on an annual basis. The ESG Steering Committee at the Group level provides feedback on the implementation of this policy and includes members of the executive team, compliance, senior managers, and specialists in sustainable investing across the Group. The Group's Sustainability and Responsible Investing (SRI) team works in close collaboration with our investment team in managing ESG risks and opportunities. Our marketing and sales teams work on communicating our responsible investment approach and reporting to relevant stakeholders through periodic reporting, conferences/webinars, etc.

2.3 Our Core Values: **C-I-P-H-E-R**

Clients are at the centre of all we do. We are disciplined and work hard for our clients. We are honest, diligent, and accountable. Part of our business value is in our client relationships.

Integrity: acting with honesty. Bad things happen because good people do nothing.

Partnership: we value our business partners; establishing long term relationships with those that share our values.

Honesty: what you do when no-one is looking.

Entrepreneurial: our Group, global and local has its roots in entrepreneurial approaches. We are committed to our strategy. This requires patience and discipline in identifying and developing investment opportunities for our clients and for the Company. We encourage creative thinking: it fosters flexibility, resourcefulness, and entrepreneurial spirit.

Respect: each other, our clients, our brand. Building trust with colleagues takes time. Our business value is made up of our Clients and our People. Teamwork and a collegial environment are central to our culture. We recruit outstanding people who are able to grow with us; we embrace diversity. Many of our senior team leaders have worked with us for many years.

2.4 Our Responsible Investment Approach

CFAME have developed policies and procedures to ensure sustainability risks are integrated throughout the investment process. This process is supported by our in-house ESG scoring methodology, which focuses on two key areas of sustainability performance: sustainability risks and sustainability factors. While the former describes environmental, social, and governance-related events that can lead to a material negative impact on the value of an investment, sustainability factors are the impacts that a company's activities have on the environment and society. This approach describes the full spectrum of sustainability and is often described as double materiality.

In addition, CFAME consider the principle adverse impacts of investment decisions on sustainability factors, further details of which are set out in our Sustainability Due Diligence Policy ([add link to policy](#)).

The objective of this section is to provide an overview of key processes and control measures that ensure the correct integration of sustainability considerations into our investment decision. At the core of our responsible investing approach, we aim to reduce risk, create value for investors and support companies that make a positive contribution to the world.

2.4.1 Norms-Based Screening

At the heart of our sustainability investing approach is our norms-based responsible investing criteria. These criteria help identify companies that adversely impact society, or the environment measured by their alignment with Responsible Business Conduct. The core of 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 compliance. Companies that fail this screening are either excluded from investment or included in our engagement programme. Please see our Engagement Policy for details.

2.4.2 ESG Scoring Methodology

We consider sustainability risks and opportunities as another component of the investment process alongside other considerations such as valuation, macroeconomic factors, and financial analysis to name a few. We subscribe to third party ESG research for the effective management of sustainability risks. 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 but also those that contribute towards the achievement of sustainability objectives.

Companies with low ESG scores, identified as "laggards" in our methodology, have a higher investment threshold. Investment in these companies can only be permitted in cases where the underlying data

has been challenged through a different ESG data provider and/or the issue highlighted is being worked on through active engagement with the company. In such cases, we initiate an internal review of the company and of the issue that is being challenged through alternative ESG data. We engage directly with companies when possible and use a number of public and industry ESG research sources.

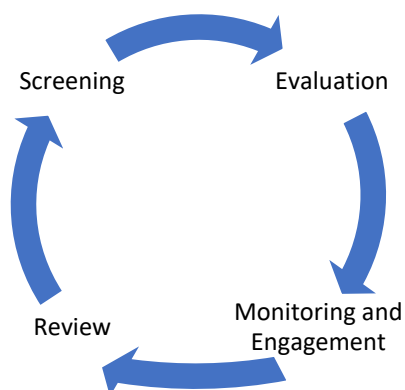
Two more groups of companies are identified in our ESG scoring methodology, those considered ESG neutral and those that promote environmental and social (E/S) characteristics. Depending on the fund objectives, a minimum threshold of companies promoting E/S characteristics may be required.

2.4.3 Exclusion Filters

For certain fund types (e.g., those aimed at charitable and religious organisations), specific exclusion filters may apply. Typically, tobacco, military equipment, gambling, alcohol, and adult entertainment are areas excluded from investment. Certain carbon-related (fossil fuels) filters will also apply, with stricter limits in terms of exposure to certain sectors (e.g., coal) varying from fund to fund.

2.4.4 ESG Integration

Our integration approach covers the breadth of our investment process, from identifying trends, analysis of securities and portfolio construction, to our voting activities and engagement with companies.



Our investment team focuses on selecting companies with sound fundamentals but also strong ESG credentials. Companies with low ESG ratings are generally more exposed to ESG and reputational risks and therefore have a higher threshold for investment than higher rated companies. Each holding undergoes a detailed ESG analysis, looking at both financial materiality and the environmentally and socially promoting characteristics. Our investment team monitors the sustainability performance of the companies in our investment universe, as well as those in our portfolios, with a focus on companies which show changes in their scores and corresponding group scores (laggards, ESG neutral, and E&S promoting).

A breach in our norm-based screening will immediately trigger an engagement process with the company. 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 address the breach in our norms-based responsible investing criteria. Please see our Engagement Policy for details.

Based upon ESG data from external providers, as well as engagement results, the investment team reviews the exclusion lists and ESG scores on a quarterly basis.

2.5 Training and Continuous Improvement

We are committed to the continuous improvement of our capabilities and knowledge in area of sustainability investing. Training sessions on compliance with sustainable finance regulation as well as our sustainability policies are provided, and attendance is mandatory for all relevant teams. We are also committed to supporting clients' and intermediaries' understanding of ESG issues by participating in discussion panels and educational presentations on ESG topics. Podcasts, webinars and other media are also organised on topics of sustainability for all clients and staff through Cantor Ireland.

2.6 Collaboration and Industry Engagement

We engage with a wide range of stakeholders to advance the ESG agenda across all asset classes, from policymakers on issues of sustainable finance to government stakeholder groups advancing the Sustainable Development Goals (SDGs). We are a founding member of 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. The Sustainability and Responsible Investing team continuously reviews this space and will facilitate engagement with investor initiatives when appropriate.

2.7 Transparency and Disclosure

We expect transparency from the companies in which we invest because our investment decision should always be based on the best available data, and sustainability data plays a key role. In the same way, we commit to be transparent and to disclose our policies on how we integrate responsible business practices and follow through on the commitments we make in these policies. Cantor Fitzgerald Asset Management Europe form part of the Cantor Fitzgerald Ireland Group who have adopted the TCFD recommendations as the preferred standard for managing and reporting climate-related risks and opportunities. In addition to disclosure requirements, the TCFD guidelines cover aspects of governance, strategy, risk management and metrics and targets related to climate risks.

We use third party ESG data providers in fund specific ESG reporting, available for Article 8 or 9 funds as required by EU regulation. Voting information is also available on our website as well as reporting on engagement activities upon request.

2.8 Managing Conflicts

We take all reasonable steps to identify conflicts of interest that may arise from the integration of sustainability considerations in the investment process. We manage any conflict of interest so that it does not create any material risk of damaging the interests of our investors. Conflicts are prevented or managed through internal controls within The Group. The 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.