

SHAREHOLDER ENGAGEMENT POLICY

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1. INTRODUCTION

Under the European Shareholder Rights Directive II, Cantor Fitzgerald Ireland Ltd. (“CFIL”, “the managers”) in its services for discretionary portfolio management 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.

SRD II was transposed into Irish law on 20 March 2020. It promotes effective stewardship and long-term investment decision.

1.1 Definitions

CFIL: Cantor Fitzgerald Ireland Ltd.

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

PAIs: Principal Adverse Impacts.

SRD II: Shareholder Rights Directive II.

Sustainability: Ability to maintain a balance of healthy environmental, social, and economic systems.

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.

1.2 Overview and Objectives

This policy has been written in accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (together, the “Shareholder Rights Directive II”). It describes CFIL’s approach to stewardship and shareholder engagement in compliance with SRD II.

1.3 Scope

This policy is applicable to CFIL’s discretionary managed portfolio services to both retail and institutional investors in relation to investments held on their behalf and how we may seek to engage with these investee companies. For the Green Effects Fund, please see the shareholder engagement policy [here](#).

2. BODY

2.1 Integrating Shareholder Engagement in our Investment Strategy

Direct engagement with an investee company is considered where we hold a substantial share interest. Our portfolio managers and analysts are 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.

2.2 Monitoring Investee Companies on Relevant Matters Including:

2.2.1 Strategy

We engage in regular discussions with our 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 macroenvironment in which the company operates, the valuation placed on the company by the market, and technical analysis of the absolute and relative price action.

2.2.2 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 data, performance indicators and news flows while also attending relevant industry conferences.

2.2.3 Capital Structure

The capital structure of potential investee companies as well as current holdings in the portfolio is reviewed and monitored on an ongoing basis.

2.2.4 ESG Matters

We subscribe to third party ESG research which is complemented by the expertise of our inhouse Sustainability team. We include ESG considerations as a factor in analysis and these are discussed during research calls which are attended by all investment teams, brokers, and portfolio managers in the wider Cantor Ireland Group.

2.3 Conducting Dialogues with Investee Companies

Engagement with investee companies will be considered where we hold a substantial share interest. In such cases, we arrange to meet the management of these companies on a regular basis, where possible. Areas of discussion include, but are not limited to, operational, financial and non-financial performance, company strategy, capital structure, ESG issues and Principal Adverse Impacts (PAIs) on sustainability factors (where applicable).



2.4 Exercising Voting Rights and other Rights Attached to Shares

Cantor Fitzgerald does not use a proxy voting advisor in the role as manager for discretionary mandates (where Cantor Fitzgerald Ireland makes buy and sell investment decisions on their behalf without prior consultation or approval). However, our clients may to attend Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs) and to exercise their voting rights if they so wish. Clients can contact our corporate actions team for advice on a specific voting deadline and / or meeting date. We facilitate this service through third-party provider, Broadridge, which offers a digital platform that enables us to register a client's interest to attend a meeting and / or vote via proxy.

2.5 Cooperating with Other Shareholders

We may engage with other shareholders where we identify that other investors have similar concerns to us. Climate-related risks are a growing concern for shareholders. We 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.

2.6 Communicating with Relevant Stakeholders of the Investee Companies

Through our Sustainability Team, we seek to engage in consultation processes on all aspects of sustainable finance, particularly those organised by the European Commission. This ensures our investors are represented in these important forums, but also ensures that effective supportive mechanisms, such as policy and regulation, are in place to enable a smooth and just transition to a more sustainable future. We also may collaborate with other institutional investors to engage with companies when we consider that doing so is likely to advance investor's interests.

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

CFIL 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 CFIL. Our policy on conflicts of interest can be accessed on our website at the following [link](#). We review this policy on an annual basis to ensure it remains relevant and up to date.

2.8 Review

This policy will be reviewed at least annually.