

PRESCIENT FUND SERVICES (IRELAND) LIMITED

Shareholder Engagement Policy

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Shareholder Engagement Policy

Introduction

Prescient Fund Services (Ireland) Limited (the “**Firm**”) is authorised by the Central Bank of Ireland as an alternative investment fund manager under the European Union (Alternative Investment Fund Managers) Regulations as amended (the “**AIFM Regulations**”) and as a UCITS management company under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended (the “**UCITS Regulations**”).

In accordance with its obligations under Section 1110H of the Companies Act, the Firm has developed this shareholder engagement policy (the “**Policy**”) which describes how the Firm addresses shareholder engagement in relation to investment in EEA companies that are listed on an EEA regulated market, in which applicable funds under the management of the Firm invest (each a “**Fund**” and together the “**Funds**”).

While other funds under the management of the Firm may have exposure to certain Companies, such exposure is generated through investment in other funds or through derivatives meaning that there is limited or no possibility for the Firm to take an active role in the ownership of the underlying investments. As a result, this Policy only applies to specific holdings in companies over which the delegated investment managers of the Funds have discretionary investment management responsibility and control.

Roles and Responsibilities

The Board of Directors of the Firm (“the **Board**”) has ultimate responsibility for overseeing the management of the Firm’s compliance with applicable laws and regulations.

The Designated Person responsible for Regulatory Compliance is responsible for overseeing and monitoring the implementation of and adherence of the Firm to this Policy (the “**Designated Person**”).

In order to do so, each Delegate (as defined below) is required to report on shareholder engagement with Investee Companies in its quarterly report to the Board.

Organisational structure

The Firm is a third-party management company and delegates all of its portfolio management activities to one or more investment managers (each a “**Delegate**”). The Firm requires each Delegate to comply with an engagement policy or practice which enables the Firm to comply with this Policy on an ongoing basis.

Therefore, where the context so requires, reference to “**Firm**” should be construed as also referring to any Delegate.

Scope of this Policy

This Policy relates to the engagement of the Firm with any company in which a Fund is invested whose shares are traded on an EEA regulated market. As a result, it extends to shares of a non-EU company which are traded on an EEA regulated market.

Engagement with Investee Companies

Under Regulation 24(1)(a) of the UCITS Regulations, the Firm is required to act with due skill, care and diligence in the best interests of the UCITS it manages and the integrity of the market. Further, under Regulation 13(1)(b) of the AIFM Regulations, the Firm is required to act in the best interests of each AIF or the investors of each AIF it manages and the integrity of the market.

In order to protect the best interests of shareholders of the relevant Fund(s), the Firm believes that it should be an active and responsible shareholder of the Investee Companies in which it invests.

As the Funds are “owners” of the Investee Companies, the Firm evaluates how each Investee Company and its management team are performing on an ongoing basis. The Firm recognises that if correctly implemented, engagement with Investee Companies can help to improve the financial and non-financial performance of those companies, particularly over the longer term. Effective monitoring of and engagement with Investee Companies can not only positively influence the business and strategy of such companies but may, depending on the form of engagement, provide the Firm with a greater understanding of the strengths and weaknesses of a particular Investee Company. This in turn helps the Firm to have a better longer-term view of the relevant Investee Company.

(i) How shareholder engagement is integrated into the investment strategy

Engagement with investee companies is an integral component of the investment process of the Funds as a means of preserving and enhancing the value of the Investee Companies in which the Funds invest. The Firm recognises that many decisions that could have a material impact on the long-term value of a shareholding can be made without a shareholder vote being required and as a result considers careful monitoring and effective engagement critical.

Therefore, as part of the due diligence carried out on any proposed investment, the Firm considers not only the strategy, performance, board composition and quality of management of the proposed Investee Company, it will also consider the ability of a shareholder to engage meaningfully with the Investee Company and whether there is a coherent and transparent approach to shareholder engagement implemented by the proposed Investee Company.

The engagement approach adopted by the Firm will depend on the investment strategy of the relevant Fund, the specific circumstances of the Investee Company and the size of investment by the relevant Fund etc. Therefore, engagement with Investee Companies is prioritised on the basis of scale of investment and overall exposure to the Investee Company on the basis that a small shareholding does not necessarily merit the resources spent on actively engaging with an Investee Company as the Firm is unlikely to have a material influence.

However, generally the Firm will engage with investee companies through the various means described in this Policy.

(ii) Monitoring investee companies

Ongoing monitoring of Investee Companies forms part of the risk management framework of the Firm.

The extent of the monitoring of individual Investee Companies will depend on the nature and size of the Fund's exposure to the Investee Company, with a large holding being monitored more frequently and in more depth than smaller percentage holdings.

This monitoring helps the Firm better understand the challenges and opportunities faced by the Investee Company.

The Firm monitors Investee Companies by reviewing publicly available information such as information contained in audited accounts, interim financial statements and public announcements released on the relevant exchange. The Firm may also rely on the information provided by the Investee Company itself and may use research from sell side analysts, proxy research reports as well as developing knowledge through industry experts or other shareholders in the relevant sector. Where relevant, the Firm will also monitor developments reported in the media/financial platforms such as Bloomberg.

(iii) Engaging in dialogue with investee companies

The Firm may look to engage directly with the management team of an Investee Company where its monitoring of the Investee Company or a proposed action by the Investee Company leads the Firm to question whether the company is being run in the best interests of its shareholders or where certain "trigger" events occur such as under-performance or poor performance, the election/re-election of directors or external auditors, proposed merger or acquisition etc. In such circumstances, the Firm may request a meeting with the management team of the Investee Company, preferably with a non-executive director of the Investee Company in attendance to outline specific concerns and seek further information on certain matters in private rather than raising same at the AGM or any EGM. Where relevant, this may be followed up with a letter to the board of directors of the Investee Company outlining key concerns and rationale for same. In the event that the response from the Investee Company is inadequate, the Firm may consider divestment.

(iv) Exercise of voting rights and other rights attached to shares

The decision whether or not to vote on a specific matter rest with the relevant Delegate who will determine the importance of exercising the Fund's voting rights on a particular topic. Relevant considerations may include the percentage shareholding in the Investee Company, the size of the position in the portfolio, whether a "buy and hold" or a "short-term trading" strategy applies to the particular investment etc.

There can be situations where the Firm may be unable to vote a proxy, or may choose not to vote a proxy, for example, where (a) there are legal encumbrances to voting, including blocking restrictions in certain markets that preclude the ability to dispose of a security if the Firm votes a proxy (which may impact on the relevant Fund's liquidity requirement) or where the Firm is prohibited from voting by applicable law or other regulatory or market requirements; (b) proxies are not delivered to the Firm by the Fund's depository (or not delivered in good time); or (c) the Fund held the securities on the record date but has disposed of them prior to the voting date.

Proxy Voting Advisors

The Firm recognises that the use of proxy voting advisors may have an important influence on its voting behaviour.

In general, while the Firm can rely on research conducted by the proxy advisor as a means of identifying potential issues and to inform final voting positions, final voting decisions are taken "in-house" and are not based solely on the recommendations of the proxy advisor.

Securities Lending Arrangements

The Firm may enter into securities lending arrangements on behalf of Funds under management which will involve the transfer of voting rights to borrowers. Where the matter to be voted upon is deemed to be significantly material or important or the outcome of the vote may be influenced by whether the Firm votes on the relevant resolution on behalf of the relevant Fund, the Firm may recall the securities loaned out in order to be able to vote on the relevant matter.

(v) Co-operation with other shareholders

The Firm does not collaborate with other shareholder groups.

(vi) Communication with relevant stakeholders of the investee companies

It is not currently the intention of the Firm to communicate with other stakeholders of investee companies such as employees of Investee Companies in implementing this Policy.

(vii) Management of conflicts of interest in relation to the Firm's engagement

In certain circumstances, actual or potential conflicts of interests may arise that could be viewed as influencing the outcome of the Firm's voting decision, particularly where the Firm or its affiliates have significant business relationships with Investee Companies. Examples of such conflicts include where large investors in the Funds under management may be issuers of securities held in the Fund, where clients of the Firm are the issuer of securities or are proposing a shareholder resolution for consideration or where the Firm is required to vote at a meeting of an Investee Company with which the Firm has other business relationships.

Depending on the circumstances, the existence of such conflicts may prevent the Firm from voting or engaging at all with the Investee Company.

Any action taken by the Firm must be taken with the intention of being in the best interests of the relevant Fund and taken independently from the interests of the Firm, any Delegate or any employees or board members of such entities.

Actual and potential conflicts of interests will be managed in accordance with the Firm's Conflicts of Interest Policy and in accordance with applicable regulatory requirements.

Annual Review of Implementation of this Policy

On an annual basis, the Designated Person responsible for Regulatory Compliance shall, in conjunction with the relevant Delegate(s) conduct a review of how the Policy has been implemented over the previous twelve months and publicly disclose this on its website. This will include:

- (i) An analysis of voting behaviour
- (ii) Consideration and explanation of the most significant votes;
- (iii) The use of services of proxy advisors;
- (iv) Information on how it has cast votes in the general meetings of the Investee Companies in which it holds shares (with the exception of insignificant votes);

This review will also identify any appropriate measures which need to be taken to address any deficiencies identified in its review.

In the event that the Firm does not, in a given year, publicly disclose how this Policy has been implemented, the Firm must publicly disclose a clear and reasoned explanation for its failure to do so.

The Firm will endeavour to ensure that the policy remains current and applicable to any new business as well as the existing business of the Firm. The Policy will also be reviewed and revised as necessary whenever needed due to regulatory or operational changes.