

Overview

This Engagement Policy ("Policy") is written in accordance with the Shareholder Rights Directive 2017/828 (SRD II) amending Directive 2007/36 (SRD I), the Shareholder Rights Directive 2017/828 (SRD II) ("the Directive") was transposed into Irish law by the European Union (Shareholders' Rights) Regulations 2020 (S.I. No. 81 of 2020).

This Policy outlines Setanta's approach to engagement. The objective of this Policy is to establish and maintain a consistent framework for engagement aligned to the relevant principles and requirements set out in Setanta's Sustainability Risks Policy, Responsible Investment Policy, Remuneration Disclosure, Proxy Voting Policy, and Setanta Risk Appetite Statement.

Setanta considers engagement to form an integral part of our stewardship responsibility. We consider stewardship to mean using the rights and position of holdings in investee companies, wherever the investment is in a company's capital structure, through engagement and voting activities. As an asset manager, Setanta believes that engagement and stewardship play an important role in preserving and enhancing the value of the assets we manage for our clients and that exercising our respective rights and position for those purposes is consistent with our fiduciary duties to our clients.

Setanta

Setanta is an independent investment management firm based in Dublin, Ireland. Established in 1998, Setanta applies a long-term, active, and value investing approach to its equity and multi-asset investment solutions. Our approach is research-driven and is conducted by a team of investment professionals, who aim to deliver competitive returns across our investment strategies. Our focus is on identifying good quality businesses in which to invest on behalf of our clients with particular emphasis on the potential downside risk of each investment.

We provide discretionary management services to institutional investors with a view to help them achieve their long-term investment objectives. We aim to maximise the long-term investment returns on their portfolios within certain risk parameters and in adherence with the Setanta approach to investing.

Engagement and Monitoring¹

Setanta's investment approach is research driven and is conducted by a team of investment professionals who consider the material factors, risks, and opportunities that each investment presents in the short, medium, and long term. Setanta believes that engagement with investee companies can be a key part of forming a financial and qualitative understanding of the business of such investee companies.

¹Information about the team can be found here: <https://www.setanta-asset.com/our-team/> and Sustainability Engagement discussed below

Our engagements cover a myriad of factors including long-term objectives and challenges, operating and decision-making frameworks, business risk, and management's plans for maximising shareholder value.

Setanta may engage with other stakeholders in accordance with market conduct requirements. The appropriateness of these engagements is assessed on a case-by-case basis taking into consideration any potential conflicts of interest that may arise.

Voting

Setanta believes that voting rights are a valuable means by which shareholders can hold management in investee companies accountable. We believe that the right to vote at company shareholders' meetings is a fundamental part of a well-functioning corporate governance system.

Setanta engages with investee companies, with the objective of voting (where we have the authority to do so) in the manner we believe is most consistent with the long-term economic interest of our clients. Setanta has a Proxy Voting Policy in place. Where we have been granted discretion to vote on a client's behalf, we will vote in accordance with the Proxy Voting Policy. Clients may request a bespoke voting policy to be applied and this will be considered by Setanta on a case-by-case basis.

Setanta endeavours to vote on all security voting decisions and does not outsource the responsibility to proxy advisors. ProxyEdge, provided through Setanta's third-party vendor Broadridge, is an online solution which supports the management of meeting notifications, voting decision communication, reporting of the meetings taking place on the securities held in our clients' portfolios.

Responsible Investing

We view the consideration of financially material sustainability factors as core to our investment process. As such, sustainability factors will form part of our engagement and voting practices where we feel they are material to the investment case, or they are required by our investment mandates. Setanta has a Responsible Investment Policy and a Sustainability Risks Policy in place.

Sustainability Engagement

Setanta has a sustainability engagement program. This solely applies to investment solutions with a sustainability focus.

Through our sustainability engagement program, we seek to encourage investee companies to think and act sustainably with a long-term focus. This engagement is supported by Setanta's dedicated engagement analyst, working closely with the portfolio management team.

Sustainability engagements can take the form of either direct engagements or collective engagements. Any collective engagement activities are undertaken in compliance with relevant statutory rules and guidelines from regulatory authorities, including on market abuse, insider dealing and concert party regulations.

Conflicts of Interest

Setanta is required to take all appropriate steps to identify, manage or prevent potential or actual conflicts of interest that may arise while providing its services. In all instances of actual or potential conflict of interest Setanta will abide by the principles of treating its clients fairly and dealing honestly and professionally with all its stakeholders. All Setanta employees also have an obligation to comply with the Conflicts of Interest Policy, to avoid any conflict of interest and to act in the best interests of our clients.

In Setanta's engagement with investee companies, and in making voting decisions, any potential or actual conflicts that arise will be managed in accordance with Setanta's Conflicts of Interest Policy.

Scope of coverage

This Policy applies to directly managed investments in equities and corporate fixed income. The sustainability engagement program will be applied solely in relation to investment solutions which have been categorised as an Article 8 financial product under the Sustainable Finance Disclosures Regulation ("SFDR").

Ownership

This Policy is owned by the Executive Management Committee and has been approved by the Setanta Board of Directors.